

BREACH OF FAITH



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CONTENTS

	PAGE
SOME PRESS OPINIONS ...	5
WHAT THEY THINK ...	43
DESAI SPEAKS ...	174
THE RESOLUTION ...	175

THE PRIVY PURSE ISSUE

**SOME
PRESS
OPINIONS**

The Hindustan Times

The Mail

The Indian Nation

The Leader

The Hindu

Weekend Review

The Amrita Bazar Patrika

The Capital

The Indian Express

The Times of India

The Pioneer

Swarajya

Privy Purse Lifting

The AICC session recently concluded in New Delhi produced further evidence of the Congress party being, like its Government at the Centre, a ship without a rudder. Guidance from the leadership about the direction in which the party should move was conspicuous by its absence. The vacuum was filled with inadequately considered moves on side issues, a stratagem with which the leadership possibly concluded to side-track attention from more serious matters.

The AICC's decision to abolish not just the hereditary privileges of former princes, as was recently recommended by the Congress Working Committee after due deliberation, *but their privy purses as well as taken as a result of a surprise vote on an amendment to the official resolution. The initiative came from the floor. Although the question fairly bristles with embarrassments and difficulties for the Government, none of its spokesmen seemed willing to intervene. The leadership was listless and apathetic, quite content to let the rank-and-file do the running.*

Privy purses certainly are relics of an outmoded feudal order, but the demand for their abolition raises important questions of principle. *The purses were part of a solemn agreement entered into by the Congress Government to facilitate the integration of princely territories and estates into a uniform mosaic of Indian unity. The price agreed to be paid was nothing compared to the magnitude of the task accomplished, as Sardar Patel fully grasped. If the Government now gives effect to the party mandate, it can only do so by damaging confidence in its pledged word. The steadily decreasing amount spent on privy purses is not worth the limited political gains that will accrue from lifting them.*

—*The Hindustan Times, New Delhi*
June 26, 1967

Purses and Privileges

Former rulers of erstwhile Indian States enjoy some rights and privileges by virtue of a solemn agreement, not between themselves and the Congress as a political organisation but between themselves and the Government of India. That the agreement was not lightly entered into, to be lightly broken subsequently, is attested by the fact that Sardar Patel had it incorporated in the Constitution. At the behest of some Congressmen, the Government is now preparing to repudiate that agreement.

That some Congress leaders are oppressed by a sense of guilt is clear from the fact that the original resolution recommended only the scrapping of "privileges" and left the privy purses alone. But they have been stampeded into a most ill-advised step by extreme elements in the organisation to whom the flaunting of the "socialist" ideology is more important than the sanctity of the plighted word. But it is self-deception to suppose that the former rulers are being sacrificed at the altar of socialism. In Congress eyes they have been guilty of the unforgivable crime of criticising the Congress Government's policies.

The former princes are paying a heavy price for freedom of expression in free India. They are also paying a price for the loyalty which, to the chagrin of Congressmen, they still command from the masses over whom they once ruled. If they had held their tongue, and if they had taken no part in the general elections, their privy purses and their privileges would have been left intact. But the party in power had better pause before it acts. A Government cannot break its word to any section of the people without engendering a general loss of confidence in its integrity. The attempt to find scapegoats for the party's electoral debacle will recoil on itself. Congress socialism is not proved by depriving anyone of what the Government has contracted to give him, and the abolition of the privy purses and privileges of former princes will not gain the Congress one additional vote.

—*The Mail, Madras*
June 26, 1967

Axe on Privy Purses

It is not at all surprising that the Congress axe has fallen on the privy purses. The Congressmen want to demonstrate that they are no less progressive than Communists and Socialists who have captured power in some of the States. This they can do only by some spectacular decisions whether they are of any consequence or not. Even the demand for nationalisation of banks and insurance emanates from the desire to parade progressivism rather than any economic compulsion or necessity. In some of the States, particularly Madhya Pradesh, the Congress has been severely mauled by ex-rulers. Therefore it is taking the revenge now by abolishing the privy purses.

In doing so the Congress is clearly going back on its commitments to the rulers of native States. But there is nothing new in it. The Congress has already gone back on most of the commitments except the privy purses. No ex-ruler will, therefore, be taken aback by the A.I.C.C. decision. The common man, however, cannot help feeling that the assurance or the promise of the Congress Party and Government does not carry any meaning.

Today the privy purse is being abolished: Tomorrow the money deposited in government bonds and certificates may be frozen. Was not the devaluation of the rupee pick-pocketing? But what could the people do? The Government has yet to prove that it was done for the welfare of the people. The Communists do not pretend to have any faith in right means for right ends. But the Congress has been constantly emphasising the need for morality in politics. Where is morality if the Congress cannot keep its words? What is the difference then between the Congress and the Communist Party?

The tragedy is that even scores of such spectacular decisions cannot restore people's faith in the Congress. Congressmen are mistaken to think that they suffered in the elections because of lack of progressivism. There was never dearth of progressivism in the Congress. The Congress ideology contains the quintessence of all the progressive isms in the world.

If they suffered, they suffered for lack of realism. It is a pity that they have not yet realised that slogans and shibboleths cannot feed the people.

What is more important: increase in food production or abolition of privy purses? That the Congressmen chose to discuss privy purse and nationalisation of banks first shows there is something wrong in the lens of their political camera. The set back in the general election has not brought about any change in their attitude or approach.

—*The Indian Nation, Patna*
June 26, 1967

Astounding Suggestion

It is strange the extent to which the Congress in its search for a programme that would attract the masses to it can go. The All-India Congress Committee while discussing at its recent session the party's reverses at the polls made the astounding suggestion that the privy purses to the princes should be stopped. The Congress claims to be a responsible organisation. Pledges, the substance of which is embodied in the Constitution Act were given to the princes that their privy purses would be respected. It is open to parties other than the Congress to take the line that the privy purses constitute a drain on the resources of the country and should be stopped. But for the Congress itself to suggest it is to go back in a shameless manner upon undertakings solemnly given.

One of the miraculous achievements of Sardar Vallabhbhai Patel was the integration of the states with the consent of the princes in about eight months' time. Congress leadership should realise that it is not by pursuing the 'communist' line that it can regain power for itself in many parts of the country where it has lost it. It is not just a question of political strategy but vital ethical issues are involved. The question is of fulfilling the words of honour given, of sticking to the agreement. The princes were given privy purses; they on their part relinquished their rights to the states of which they were rulers. It must not be understood that appeals to the princes to agree to reduction of their privy purses voluntarily are inadmissible, but unilaterally we doubt whether it will be pos-

sible for any Parliament constituted as it will be hereafter to effect a change in the articles relating to the privy purses of the princes. The fact which has to be recognised by the Congress is that it failed in several states to obtain a majority because its administration was regarded as inefficient and corrupt by a large section of voters. What the people want is food, shelter and clothing, at reasonable prices. That is the main problem to which the Congress should address itself.

—*The Leader, Allahabad*
June 29, 1967

Princes, Purses, Privileges

From the trend of the speeches in the Lok Sabha on the subject of privy purses, it is clear that the Government will have no difficulty in mustering the requisite support for an amendment of the Constitution, if necessary. Earlier, too, at the AICC meeting, the consensus was overwhelmingly in favour of the abolition of privileges and privy purses. The erstwhile princes may as well reconcile themselves to the loss of what they have hitherto believed, not without reason, to be their rights. "Put not your trust in princes", says the Book of Common Prayer. Neither, it seems, should princes put their trust in commoners. A solemn covenant is treated as no more than a scrap of paper when it suits a political party to treat it so. The leadership of the Congress Party may not see quite eye to eye with the rank and file on the propriety of going back on the Government's agreement with the former rulers, but the leadership seems both powerless and voiceless.

A great deal of eloquence was expended on the theme in the Lok Sabha. "Historical forces", "forward-looking societies," and "the spirit of the times" were all enlisted in support of abolition. One MP warned his colleagues that "every human society has to be forward-looking" and that "if we are not so, human progress will come to a standstill and we shall face stagnation at every level." The Union Home Minister entered fully into the spirit of the debate and thundered that "the question of sovereignty is a dynamic concept, a political concept based on the will of

50 crores of our people." It was most impressive rhetoric, and if one did not know that it was being directed at a dwindling set of the Government's pensioners, one might have been tempted to think that the Home Minister's determined words were meant for Mao Tse-tung's edification.

The question of the former princes' purses and privileges has nothing to do with "human progress," "people's sovereignty," "social stagnation" or even "socialism". It is a simple question of a contract and a covenant between the Government and some individuals. Former rulers of princely States were in possession of certain rights and privileges which the Government wanted them to surrender in exchange for a certain amount of money to be paid to them. The late Sardar Patel, a Titan among Congressmen, who negotiated the agreement, thought that the Government of India did very well out of it and that the money involved was a small price to pay for the peaceful and orderly integration of the States in the Indian Union. The money involved at the time of the agreement has been dwindling progressively with the passage of the years and with the passing of the original signatories to the agreement on the princes' side. The less than Rs. 4 crores that is now being disbursed annually to the former princes is a negligible amount.

The sovereignty of the Indian people is not compromised by observance of the covenant. The ruling party at the Centre does not forswear its socialist ideal by observing it. Talk of "social stagnation" in this context is nonsense. The former princes are utterly powerless now and will not be able to fight for their rights. Apart from everything else, there is something revoltingly mean in hitting them in their present position. Their privy purse is their sole resource. But many complications will arise if the Government were to break the agreement thoughtlessly and in obedience to ignorant clamour. Mr Frank Anthony hinted at them in the Lok Sabha. "The position of the States of Bhutan and Sikkim", he said, "is identical to that of the States that executed the Instruments of Accession. If we take a decision unilaterally, we would get embroiled in other matters." It is not these two States alone that will begin to question how far the Indian Government's word can be trusted. The Indian Government is a habitual borrower, heavily indebted to many countries. There is not assurance that if one agreement is broken, others

will be kept. The paltry sum that is paid to the princes is not worth the price in terms of the Government's honour.

—*The Mail, Madras*
July 16, 1967

On Keeping Faith

Although in his reply to the debate on Mr. Madhu Limaye's motion the other day, Mr. Y.B. Chavan dismissed the privileges and privy purses of the former Princely Rulers as "an anachronism" (which, *ergo*, should go lock, stock and barrel) it is good to note that the Home Minister is having the constitutional and legal implications of the abolition of these privileges and purses examined by the Government's experts. Many Congress leaders have been trying to hustle the Government into taking a decision on this matter on the ground that last month's vote in the All-India Congress Committee has the sanctity of a compelling party mandate. An analysis of the circumstances in which Mr. Mohan Dharia's amendment favouring the abolition of privy purses was passed shows that it would be the height of presumptuousness to claim a massive popular backing for this demand. The amendment was passed (according to Mr. S.K. Patil) by 17 votes to 4 which means that less than one-thirtieth of the full complement (600) of the AICC participated in the voting. To claim that a casual decision of this nature binds the Congress Government, without regard to the solemn provisions of the Constitution and the historic antecedents which resulted in the merger of the Princely States in the Indian Union, is to confer on a party rump the authority to dictate to the Government and to Parliament.

The question of the Princes' privy purses and privileges has to be considered without passion and prejudice and in a spirit of fairness to the persons concerned. It may be admitted that times change and special concessions regarded as legitimate at one time may cease to be such in later years. The prerogatives of the Crown and the privileges of Parliament in Britain have gone through an attenuating process over the years because of the growth of democratic forces and the evolution of new conventions.

It is not far-fetched to expect that the Princes (or their heirs) who were prepared to surrender their rights and powers at the call of Sardar Patel twenty years ago will be willing to shed some of their privileges (which are to-day largely of symbolic value) and agree to a reduction in their privy purses if a friendly and statesmanlike approach is made to them. Even if the constitutional guarantees given to the ex-Rulers by Articles 291 (which makes the privy purses a charge on the Consolidated Fund of India and exempts them from income-tax) and 362 (which protects the rights, privileges and dignities of the Princes from statutory encroachment by Parliament or State legislatures) are made non-justiciable by the provisions of Article 363, it cannot be argued that the vested rights in question can be extinguished without a constitutional amendment. When the Constitution expressly says that Parliament or the State legislatures, in the exercise of their legislative and executive powers, shall have "due regard" to the "guarantee or assurance given under any such covenant or agreement as is referred to in Article 291 with respect to the personal rights, privileges and dignities of the Ruler of an Indian State", it would be irresponsible for anyone to contend that these guarantees or assurances can be treated as mere scraps of paper and can be repudiated within twenty years and within the lifetime of those to whom those guarantees were given in freely negotiated and solemnly accepted covenants. The Congress Party, whose great leaders of an earlier generation strove for the freedom and integrity of India by adhering to methods of moral persuasion and personal sacrifice, should not lay itself open to the charge that in a moment of pique and political vendetta it was prepared to repudiate solemn promises and assurances. The proper course for the Government is to respect the provisions of the Constitution and negotiate with the Princes for voluntary changes in their privy purses and privileges.

—*The Hindu, Madras*
July 28, 1967

Should the Princes be Paid ?

The breach of faith which the Indian Government is contemplating now goes much further than mere abrogation of an agreement. It also involves a betrayal of trust.

"There has been a tendency recently to regard the price paid for integration in the shape of privy purses as too high. We cannot strike a balance sheet without juxtaposing the assets against the liabilities."

The words are those of V.P. Menon, who, under Sardar Patel was one of the chief architects of the integrated India we know today. They were written in defence of the privy purses granted to the princes at the time of the formulation of the Indian constitution. The AICC resolution to work for their abolition, and the support promised the government by the left parties in the Lok Sabha, make it necessary to draw up this balance sheet all over again.

Two balance sheets are needed — the first material, and the second spiritual. In both balance sheets Indian democracy is likely to come out very much the loser if the proposed constitutional amendment abolishing privy purses is adopted. Let us look first at the material balance sheet. Today, 279 princes are drawing a sum total of Rs. 4.81 crores per annum in privy purses. The Central Budget for 1967-68 is nearly Rs. 3,000 crores. Privy purses therefore constitute barely 0.15% of the Central Budget. More than one hundred of these 279 were Jagirdars, Talukadars, and so on, who receive only a few hundred rupees a year (The Raja of Katodia for example receives Rs. 16 per month). The vast bulk of the privy purses went to a handful of major rulers. Of the 284 original recipients (5 have died without issues and their purse has lapsed), 179 received purses of less than Rs. one lakh, 78 received between one and five lakhs and only 24 received more than Rs. five lakhs. In the past twenty years, nine of these twenty-four have agreed voluntarily to reductions in their purses amounting to more than Rs. 81 lakhs.

“Need we cavil then at the small—I say purposely small—price we have paid for the bloodless revolution which has affected the destinies of millions of our people.”—Sardar Patel.

In return, for a relatively small sum of money, India obtained the peaceful integration of 546 states, covering more than two-fifths of the entire country. In addition, the princes surrendered vast amounts of personal wealth, palaces and other hereditary perquisites. Some idea of the extent of this purely financial gain may be had from the fact that the income which accrues annually from the personal estates turned over to the government by the Nizam amounts to Rs. 1.24 crores. To this should be added the income which the Indian Government derives from the 12,000 miles of Railways which existed in the States. At the time of their accession the Princes also brought to the Indian Union cash balances and investments exceeding Rs. 77 crores in value. The rulers also gave up, mostly voluntarily, thousands of acres of personally owned land. The value of these assets and the income accruing from them has risen sharply over the past two decades, but the privy purses have remained unchanged (or diminished as shown earlier). Inflation has thus succeeded in halving the real value of the sums which are still paid. Thus even purely materially, the “small price” Sardar Patel referred to has become very much smaller, with the passage of time. Let us turn now to the spiritual balance sheet.

“The merger agreements and covenants are bilateral documents. As the Sardar very rightly remarked, the rulers discharged their part of the contract by surrendering their states and powers. They are now bereft of any bargaining power. Because a creditor is too weak or too poor to enforce his rights, a debtor should not, in honour, refuse to discharge his debt. As an honourable party to an agreement we cannot take the stand that we shall accept only that part of the settlement which confers rights on us and repudiate or whittle down that part which defines our obligations. As a nation aspiring to give a moral lead to the world, let it not be said of us that we know the price of everything but the value of nothing.”

—V.P. MENON

The worst aspect of the current move to amend the constitution and then do away with privy purses is that it involves a breach of faith. That the guilty party is infinitely the stronger, and that the breach of faith would be carried out in the name of socialism, egalitarianism and the ending of an historical anachronism makes the breach of faith infinitely worse, for the essence of a contract or an agreement, and the law which springs therefrom, is that its clauses must be honoured even when they are manifestly onerous to one or the other party.

No one would for a moment hesitate to agree that the payment of a privy purse in perpetuity to anyone, without the exaction of some kind of work from the recipient goes against the grain of a basically egalitarian society. Similarly, no one would deny that some of the privileges enjoyed by privy purse holders such as exemption from income taxation, and in particular, exemption from judicial proceedings, violate the principle of equality before the law. But the point at issue is not the justifiability of privy purses or of special privileges, but the fact that these were granted specifically by the Government of India in return for the surrender of certain rights and property by the rulers. If the Government of India opted out of its obligations, however onerous these might be, it would deal a blow not merely to the Princes, but to the foundations of law in the country. This is too great a price to pay for the pseudo-moral satisfaction of dealing a blow for social equality against a small group of 279 people who have not the means to defend their rights, and very little to buy them back with.

"The rulers of the bigger states could have stood out and could have given us as much trouble, if not more than Hyderabad and Junagarh. They certainly had their arms intact....It was indeed highly selfless and patriotic on the part of these rulers to have placed the wider interests of the country above their own. Some of them even went to the extent of lending us all their troops at a critical period regardless of their own internal security."—V.P. MENON.

"Let us do justice to them (the rulers); let us place ourselves in their position and then assess the value of their sacrifice."—SARDAR PATEL.

The breach of faith which the Indian Government is contemplating now goes much further than mere abrogation of an agreement. It also involves a betrayal of trust. At the time of the Cabinet mission of 1946, there was a considerable amount of debate among the princes as to whether they should try and maintain their special relationship with the British Crown; whether they should form a federation and try for full independence, or whether they should try to enter into a new relationship with the successor government in India. The first course was in fact impracticable, and the second course which would have been unacceptable to the new India, would have led to a great deal of bloodshed. However, the choice of total integration went far beyond what had been envisaged in the "new" relationship with the successor governments. The credit for its achievement goes in no small measures to a handful of the more important princes, such as Patiala, Jaipur and Mysore who showed the vision of a united India and persuaded the recalcitrants to surrender their claims in return for a just and equitable settlement with the new Indian government. A unilateral revocation of privy purses would thus betray, above all, the faith of those princes who played the most active part in the forging of the India we know today.

"By the lapse of paramountcy we were able to write on a clean slate, unhampered by any obligations."—V.P. MENON.

"The privy purses settlements are therefore in the nature of consideration for the surrender by the rulers of all their ruling powers," as well as for the dissolution of the States as separate units."—SARDAR PATEL.

One line of reasoning which has been advanced to vindicate the government's attack on the privy purses is that in fact the princely states were not sovereign states at all, but mere puppets of the British, and that to say that agreements with them are binding (like a treaty) is to attribute to them a sovereign status which they never possessed. The argument would run that the question of breach of an agreement does not arise, and that the rights of the princes should be subject to exactly the same procedures of Parliamentary amendment as are the rights of other individuals in the country.

There is a great deal of truth in this contention. But what is of importance is not the actual degree of effective sovereignty the princes enjoyed at the time of Independence, but that in dealing with them the Indian Government tacitly accepted the British position that paramountcy had lapsed to the rulers. This is clear from the remarks of Mr. V. P. Menon and Sardar Patel quoted above. But of even greater importance is the fact that sovereignty over these territories *could* only have been ceded to the Indian government, if it had *first* belonged to the rulers to cede. They could obviously not have ceded any attribute of sovereignty which they did not actually enjoy. The finality of the Instrument of Accession, which India has reiterated over and over again, in connection with the Kashmir dispute, for example, rests on this fact. From this it follows that the agreements with the princely states *were* bilateral agreements. Both articles 291 and 113 (1) of the Constitution make this fully clear. When faced with the repeated requests of the Chogyal of Sikkim for a revision of the Indo-Sikkim treaty, India has quite rightly requested that the Chogyal honour the clauses of the treaty. Nor has he demurred. India's stand on Sikkim would be greatly weakened if it sought to change its agreements with other erstwhile members of the Chamber of Princes without their explicit consent.

Finally, in the princes, the government is not dealing with a bunch of obscurantists who are not amenable to reason (as, for example, Portugal was over Goa). The generally enlightened attitude the princes adopted to their future within the Indian Union has already been mentioned. The voluntary reductions in their privy purses which many of the most important have accepted, is another pointer to their senses of realism and susceptibility to egalitarian ideas. Finally, the princes in India have not become effete and ingrown, and have not cut themselves off from the mainstream of socio-political developments in the country, as did the nobility of continental Europe. On the contrary they have shown an altogether remarkable vigour in adapting to the rules of the democratic game. *Au fonds* the attack on privy purses is an attempt to penalize them for this display of vigour. It does not deserve to succeed.

—Weekend Review, New Delhi
July 29, 1967

Purses and Privileges

Whatever the Union Law Ministry may say, abolition of the privy purses of former princes will be a breach of trust. The Law Ministry is reported to have advised the Home Ministry that "there is no legal or constitutional bar to the abolition or reduction of privy purses and privileges". All that the Government has to do, according to the Law Ministry, is to expunge the relevant Articles of the Constitution. The Law Ministry is, of course, concerned only with the legal aspect of the issue, it has nothing to do with the moral. But a Government cannot repudiate a moral obligation without inflicting serious damage upon itself.

The Law Ministry relies for its advice on Article 363 which states, *inter alia*, that "notwithstanding anything in this Constitution.... neither the Supreme Court nor any other Court shall have jurisdiction in any dispute arising out of any provisions of a treaty, agreement covenant, engagement, sanad or other similar instrument which was entered into or executed.... by any ruler of an Indian State and to which the Government of the Dominion of India or any of its predecessor Governments was a party...." Since the jurisdiction of the courts has been excluded, it may be that, according to the letter of the law today, the covenants cannot be enforced in a court of law. But it is pertinent to inquire why the jurisdiction of the courts was specifically excluded.

These covenants were entered into when Sardar Patel was Minister for States. *It would be an insult to the memory of that great man to imply that he excluded recourse to law so that when it suited the Government of India at some future date to do so, it could abrogate the covenants unilaterally.* The Sardar was incapable of so mean a trick. On the contrary, it is by no means unlikely that, just as he made the privy purses chargeable to the Consolidated Fund of India so that no party could tamper with them, he put them beyond the purview of the courts so as to spare the princes the vexation of law suits. He took every precaution to ensure that his word to the princes, given on behalf of the Government of India, would not be violated by any party which might come to power in the future. His repeated and wholehearted testimony to the patriotism

and public spirit of the princes confirms this view. The Law Ministry is reported to have informed the Union Government that, "in matters of interpretation, not any speech made by a Minister, however eminent he may be, but the actual wording of any Bill or document would be the determining factor." This is an interpretation worthy of the shadier practitioners at the Bar in the pages of Dickens; it is an affront to law and morality.

—*The Mail, Madras*
July 31, 1967

Fundamental Morality

Whether opinion even inside the Congress party is unanimous on the question of the abolition of privy purses and privileges of former rulers, of princely states is more than any one can say definitely, judging from views expressed by quite a few members of the party itself on various occasions. There is a noticeable section of those concerned over the precarious situation of the Congress ruling party in some of the few states where the party continues to retain power which thinks that the abolition of princely privileges will unnecessarily exacerbate feelings at a time the political stock of the party is by no means so high that it would be squandered away thoughtlessly. Mr. Chavan, the Union Home Minister, who spoke on the subject in the course of an animated debate in the Rajya Sabha took good care to keep himself on the right side with his partymen favouring abolition, while at the same time not appearing to yield to the rhetoric of Mr. Bhupesh Gupta about 'reprehensible' provisions added to the Constitution as an afterthought.

Mr. Chavan did not give much encouragement, on the whole, to those who wanted a firm official commitment or sought the fixation of a timelimit for the examination of the A.I.C.C. resolution in all its aspects'. But he did give away some of his case by the vehemence of his protest that the move had nothing to do with socialism of a special variety or that there was no element of vindictiveness against princes who

had administered a few shocks to the Congress applicant in some States. He was really on very unsure ground when he talked the stuff about a 'fundamental morality' over and above morality as it is understood by the moralist and the common man alike.

If every time a word of honour was involved politicians were free to put political expediency above the primacy of moral principles and the sanctity of covenants solemnly entered into in the name of a fancied 'fundamental morality' no agreements would remain anything but scraps of paper which they could discard at will as soon as they had ceased to serve their purposes. Shades of Gandhi and Nehru who would have stood against the world to uphold their plighted word ! In fact, Mr. M. C. Setalvad, the eminent jurist, was very much to the point when he reminded the apostles of the new morality that privy purse payments were agreed to in exchange for the surrender of valuable rights and, therefore, the payments to the princes were not ex-grata payments for a consideration.

The question of the abolition of princely rights and privileges is not going to be solved by propounding novel theories of fundamental morality. Princes and paupers alike are entitled to the protection of the spirit and letter of the Constitution and it would accord much better with the professed anxiety of the Congress leaders to carry all sections of the people with them, to go forward and negotiate with the leaders of the princely order for the surrender of any rights voluntarily, and to the extent they choose, in the larger national interest.

—*The Leader, Allahabad*
Aug. 3, 1967

Privy Purses

Talking to pressmen at Madras, on July 31 the Nizam of Hyderabad condemned the Union Government's move to abolish the privy purses as a "violation of the solemn pledges given to the former ruling princes" and declared that such a measure would have "far-reaching consequences". He made this statement after a meeting with three former princes of South India; the Maharajas of Mysore, Travancore and Kolhapur. No concrete steps were decided upon at this meeting, but the princes are thinking of measures to counter the Centre's move. These measures might be legal or political. The legality of depriving the princes of privileges enjoyed by them under the Constitution might be questioned although high legal opinion is in favour of Parliament's right to take away or curtail those privileges. Politically the princes might create serious complications for the Congress, for they continue to exercise considerable political influence in several States such as Madhya Pradesh, Rajasthan, Gujarat and Punjab. Whether the princes will be able to organize themselves for common action against the Centre is however anybody's guess. The Nizam referred to the possibility of a "larger meeting" of the princes in future and said that he had been receiving invitations and letters from some of them to discuss the matter.

That the issue is not quite simple is clear enough from Mr. Chavan's statement in the Rajya Sabha on July 31. The process initiated at the A.I.C.C. meeting, he said, would be completed, but "the exact nature of application of the objective could not be determined at this stage". This means that the Union Government has not yet been able to make up its mind on the practical aspects of the principle recommended by the A.I.C.C. This is not at all surprising in view of the differences among the M.Ps. on this issue. The Home Minister refused to commit himself to a time-limit and indicated the possibility of a negotiated settlement with the princes. The process, he said, might "entail talking with princes". From this statement it would be hardly incorrect to infer that Mr. Chavan prefers erosion of the princes' privileges to abrupt abolition:

the bitter pill is to be sweetened by kindly talks and small doses. Most of the Congress M.P.s appeared to be in favour of this cautious approach.

When the A.I.C.C. started the crusade against the princes the leaders hardly remembered Sardar Patel's view that the privy purses offered to the princes represented the price of their co-operation in bringing about the integration of India through a bloodless revolution. The system introduced by Sardar Patel did serve a high political purpose. History, however, does not flow in an even stream. What was natural and necessary in 1947-48 has probably become an anachronism in 1967.

—*The Amrita Bazar Patrika, Calcutta*
Aug. 4, 1967

Penny Wisdom and Pound Folly

Faithful performance of contracts is good policy as well as morality. And where governments have promised something not in a hurry but after considerable debate and consideration, the breach of such a promise would be more fatal than any error of judgment in the affairs of government. A government which has adopted the additional role of commerce and become dependent on international credit can ill-afford to ignore the motto on its crest : Satyameva Jayate. Satyam is honesty in speech as well as in action.

When Portia suggested to Shylock that he must be merciful, "On what compulsion must I ? tell me that" he answered. "On what compulsion must we do what we promised ?" no government can ask as Shylock asked. It is not on the compulsion of the Constitution that honesty must rest. It rests on its own inherent validity. Sri K. Santhanam rightly quoted the precedent of Gandhiji's insistence on keeping the word given to Pakistan to place Rupees fifty-five crores at its disposal, when Sardar Vallabhbhai Patel pleaded with him against it on the ground that the money given would be used to strengthen itself on its

military conflict with India and should therefore be withheld in the interest of defence. Even this plea of national security failed with Gandhiji as against the supreme argument of Satyam. People did not then realize how much India gained by this historic insistence on the part of Gandhiji. Nor do many of us even now think much of it, because so much has happened since then, particularly the military action for taking Goa in spite of the UN Charter to which India was a pledged party.

Honesty is certainly the best long-range policy, even if it may seem not to be the best policy in the short range. India which is conspicuously planning at long range cannot afford to be dishonest for saving some money for the exchequer. Or it is the pure love of socialism ? Socialism built on a breach of faith and repudiation of a specific promise solemnly made is not a lasting or decent structure, wherein citizens can live in confidence, not being able to say what the Government will do with them and theirs tomorrow or the day after.

It may appear that a reactionary that I am, I am pleading for the former princes. Pleading for them or for anybody else upon whom something wrong is sought to be inflicted is not a 'reactionary' attitude. Pleading for the weak is not 'reactionary' but is a liberal battale for which courage is required. Gandhiji somewhere described the millionaires as having become untouchables for whom we may fight an honourable battle when required. It requires little courage these days to do something to please the crowd. But I plead for the conserving of India's good name in the international world and for India's advancement in the international commerce. The ex-princes and their sons are quite capable of taking care of themselves. They are not wanting in the skills required for commerce or for politics. The withdrawal of these guaranteed allowances will not ruin them. They command a respect among their people which Congressmen in power have failed to command. This has been demonstrated in many instances. Indeed this demonstration is the provocation that has turned defeated Congressmen to think of stopping the payments promised to the former rulers—as if that would reduce their popularity. Is it difficult for the Congress Party to see that the result would be the exact contrary of what it seeks ? Even from

the party point of view, the four All India Congress members who voted against the seventeen who voted for withdrawing the allowances were politically the wiser of the two strikingly small groups that participated in the debate.

Sri K. M. Munshi got the fundamental citizen rights against the State inscribed in the Constitution. He thought thereby he served the citizen. If unwritten, these basic rights would have been completely protected by the Supreme Court. These rights having been written down, Parliament claims the right to amend and annul them by an amendment of the Constitution—the opposite of what Sri Munshi wanted. Similarly, the contract entered into with the ex-rulers of Indian States having been written down in the Constitution, Parliament claims the right to annul it by an amendment of the Constitution—the opposite of what Sardar Vallabhbhai desired. Had the undertaking been in a document of treaty and not inscribed in the Constitution, it would have been irreversible. That it was put into articles of the Constitution, instead of giving double security as was intended, is sought to be made a ground for annulling the undertaking. “If the law supposes that, the law is a ass,” as Mr. Bumble said in *Oliver Twist*. The undertaking stands irrespective of the Constitution.

—C. Rajagopalachari in *Swarajya, Madras*
Aug. 5, 1967

Top Leaders not Serious

The Parliamentary debates on the question of privy purses and the special privileges enjoyed by the princes revealed that a large and vocal section of the Congress Party is against the A.I.C.C. resolution (demanding the abolition of privy purses and special privileges). Apart from the Swatantra Party, no other section was as vocal in supporting the rights of the ex-rulers. The question at issue is rather simple. First, there is no question that the legal privileges of the princes are anti-democratic and ought to be abolished. The privy purses are another matter. Those in favour of the *status quo* argue that the Indian Government should not dishonour an agreement voluntarily entered into for the sake of a "paltry sum" like Rs. 5 crores. As against this, it is argued that the agreement was entered into under duress. The late Sardar Patel had repeatedly stressed that he had entered into the agreement only because there was no alternative. He did not, for that reason, suggest that it be dishonoured at the earliest opportunity. However, the "Left" strongly claims that this forced agreement with the "puppets of British" should be disregarded.

The Government seems to be in a fix to make up its mind. First, it does not know whether it can abolish the privy purses without amending the Constitution. Secondly, it is not certain whether it will do so, if it wants to, through legislative action. Mr. Chavan, seems to suggest that he may convince the princes to give up their special privileges—at least a part of the privy purses—through "persuasion". This would be a great achievement, if it could be done.

The outcome seems doubtful since the princes within the Congress and in Opposition have already made a common front against the proposal. The Gaekwar of Baroda heads one wing of this front whereas another wing in the South is under the leadership of the new Nizam of Hyderabad. Interestingly enough, the Chief Ministers of States which have the problem of princes do not support the A.I.C.C. resolution.

Even prior to the collapse of the Congress Ministry in Madhya Pradesh, the Chief Minister, Mr. D. P. Mishra, was against it. So is the Gujarat Chief Minister, Mr. Hitendra Desai. The Rajasthan Chief Minister, Mr. Sukhadia fears that such a move may upset his tottering Ministry. It is alleged that the top leaders of the Congress were not serious about the abolition of privy purses but they merely wanted to use the threat for bringing the princes to heel. But this policy seems to have misfired.

—*The Capital, Calcutta*
Aug, 10, 1967

The Irrelevance Of

Congress Policy-Making

It looks presently as though the Princes will be lucky to escape paying the price of thier increased involvement in politics—politics especially of the kind which hurts the interests of the ruling party at the Centre.

Those sections of the Congress who want to work their frustration off on the Princes are bound to be more determined in their purpose after what has happened in Madhya Pradesh under the acknowledged leadership of the Rajmata of Gwalior.

With the Congress in its present mood, it is futile to talk in terms of pledged words and covenants. Even Mr. Chavan, who is now making the pace for the abolition of privy purses, accepts, at any rate by implication, that there is a Congress commitment to the Princes which is both moral and legal. But he argues that there is also a Congress commitment to the great masses of this country whose number is about a million times that of the Princes.

Quite right too. But what is this commitment to the masses? Mr. Chavan did not explain but what he had in mind obviously was the Congress commitment to make life a little easier for the masses, still groaning under grinding poverty after 20 years of Congress rule. According to some statistics, indeed, their position has worsened in the 20 years.

This is, on any count, a disgraceful state of affairs. I wonder, however, whether even Mr. Chavan believes that the Rs. 4 crores that he is going to save annually by defaulting on his party's freely undertaken obligations to the Princes will enable him to fulfil his promises to the masses.

The Indian budget is now of the order of Rs. 3,000 crores. Set against that kind of figure, Rs. 4 crores is an irrelevance, especially when it is bought at the expense of honour and morality.

I am not greatly worried about the Princes. They can no doubt look after themselves. What should worry all of us is that the Congress can think only in terms of irrelevant, demagogic, catch-as-catch them solutions at a time when the grave economic situation facing the country ought to compel on it the need for a review of where things have gone wrong and why.

Another solution in the Congress rag-bag, denoting the same tendency to irrelevance, is the nationalization of general insurance, which is worth about Rs. 3-1/2 crores in annual premiums. We are told that there are many irregularities prevalent in this business, but I have not noticed that there is a clamour for nationalization from those using the service provided by the general insurance companies. I am not pleading for a licence to commit irregularities, but, surely there are other ways to take care of the irregularities.

Life insurance was nationalized 11 years ago. Let us presume there are no irregularities here since it seems to be the argument that nationalization is a guarantee against irregularities. We had a right to expect that with its monopoly in writing business, the Life Insurance Corporation would have given us at least a cheaper if not also a better service. What, in fact, has happened? The ratio of expenditure to income from premia has incredibly moved up to 18 per cent, which is far higher than the norm which obtained in the days when private companies not only had to allow for irregular drafts on their resources by the capitalist ogres who managed them but had to offer inducements to attract business against competition, from which both wasteful evils the Life insurance Corporation's monopoly position frees it.

It is this staggering irrelevance of the Congress party's thinking when set beside the monumental problems facing the country which is the most depressing feature in a dark situation.

If the Government only turned its attention to giving good management to the steel mills in the public sector, it could save the country Rs. 100 crore a year. But doing that means hard work. It is easier to delude the masses into hoping that by docking the Princes of their purses, Mr. Chavan is going to bring the good life to the deprived millions of this country. Mr. Chavan knows that nothing of the kind is likely to happen. Mr. Chavan knows, or should begin to know, that the damage that is going to be done to economic activity in the country by the loss of confidence and instability induced by the Congress breach of faith and the experimental, ideological approach to policy-making will have to be counted in hundreds for every rupees saved from the Rs. 4 crore bill on privy purses.

The amazing part of the Congress performance is the belief among the leadership that the gimmickry that now passes for policy-making is creating a new image for the party of a dynamic, forward-looking organization which is on the point of delivering the goods.

Public Reaction

The truth is, and they would find it out for themselves if they gave themselves some time to reflect in between their ritual parroting of antiquated slogans, that they are not even getting the credit for good faith. The concessions they make to the Left in economic policy are quite properly regarded by public opinion as victories secured by the Communist party which at least had stood for these policies consistently through the years instead of merely adopting them in a misguided bid to win back lost popular favour. Similarly, the Congress surrender on the issue of the English language is not going to win it gratitude in the Hindi belt. That gratitude will go to the Jan Sangh.

All that Congress demonstrates to the people at large is the spectacle of a party incapable of fashioning a coherent policy relevant to the conditions which obtain in the country. Perhaps, we ought to be conclu-

ding very soon that the Congress party has lost all reason to exist. But does it, in its last gasp, have to go about in a manner deliberately to strengthen just those forces in the country whose emergence will mean the end of the democratic system enshrined in our Constitution?

—*The Hindustan Times, New Delhi*
Aug, 12, 1967

Praana Jaahun Baru Bachanu Na Jaayi

On The Burning issue of the privy purses of the ex-rulers, I cannot do better than quote from what Sri K.M. Munshi has written in the latest *Bhavan's Journal*:

There were two lines of Tulsidas which Gandhiji was fond of quoting:

रघुकुल रीति सदा चली आई, प्राण जाहं बरबचनु न जाई ।

The way of the Raghu princes was this:

They would part with life

But never depart from the plighted word.

When we became free, the Constituent Assembly representing the people of this country built the structure of our Constitution on the basis of certain solemn pledges. One, a pledge was given to the religious minorities that India will have no State religion and will not make any distinction between one religion and another. This pledge was incorporated into the Fundamental Rights.

Two, a pledge was given to the members of the Civil Service, who threw in their lot with free India and who carried the huge apparatus of government into the new regime without a break, without a wrench, and certain guarantees were given with regard to their emoluments.

Three, a pledge was given to the then Rulers of India States to maintain their privy purses and privileges.

The unprecedented political integration of India was due as much to the patriotism, farsightedness and generosity of the Rulers as to the sagacity and tact of Sardar Patel and the negotiating skill of V.P. Menon. The privy purses promised to the Rulers aggregated to less than rupees

six crores , since reduced to about rupees five crores, and further reducible with every generation —an infinitesimal part of the Centre's total annual expenditure.

Economics apart, what is of paramount importance is that the proposed abolition of the privy purses strikes at the root of our nation's honour.

Those who now clamour for the repudiation of the nation's pledge do not appear to realize the nature and magnitude of the issues involved in this pledge.

There were many forces seeking to frustrate the emergence of a united and consolidated nation. For instance, the Nawab of Bhopal, in alliance with the Ruler of Jodhpur, had joined hands with Mr. Jinnah to secure to Pakistan the accession of Jodhpur, Mewar, Indore, Bhopal and Baroda.

(It was open to the Indian Rulers to accede either to Pakistan or to India without reference to contiguity.)

Sardar listened in stolid silence to some of the members of his party who were vocally opposed to the guarantees given to the princes, silence which was more impressive than words and more shattering to our self-assurance. After the members had had their say, Sardar, at his formidable best asked abruptly: "Did you get Swaraj? Did you liquidate the States? Those of us who did it had pledged our word that constitutional guarantees would be given to the Rulers and the Civil Service. I don't know what the others who gave the pledge think. You can go to them if you like. As far as I am concerned, I will keep to my promise."

There is no Sardar today to silence the strident cry to back out of the pledges. There is no Jawaharlal, whose instinct would have rebelled against this betrayal. There is no Gandhiji to tell us that going back on the plighted word is as good as spiritual death.

The dangerous gap between law and dharma is what democratic autocrats must avoid falling into, if they would save democracy. Sardar Patel was reputed to be autocratic, to be an 'iron man', ruthless and all that sort of thing. But read his words quoted by Sri Munshi and other

things he has said on the subject which have been quoted by many during these two weeks. He was a man who knew that *Dharma* was the foundation of national stability, not Bills or Reports or legal opinions. Our two national epics, the *Ramayana* and the *Mahabharata* teach many things, but the central theme in both is the validity of the plighted word, round which all else is woven. Thrones were given up and banishment suffered for saving the plighted word. Let us try to recover the moral status with which we began in 1947 and of which we have for several cases lost a great deal. It is difficult to recover what one has lost. All the same we must try. But let us at least not *add* to the blunders we have been guilty of.

Disregarding Article 362 of the Constitution and doing the opposite of what it enjoins, and seeking cover under Article 363 is a form of chicanery. It is strange that the Union law Minister has supported the plea for abolition of the princes' privy purses on the strength of his interpretation of the articles of the Constitution. An arbitration agreement may provide that any disputes *arising out of* the arbitration must be dealt with only by the arbitrator and cannot be taken to court. If, in such a case, the arbitration agreement itself is wholly repudiated, the Courts will certainly have jurisdiction to set matters right in spite of any clause in the agreement.

—By C. Rajagopalachari in *Swarjaya, Madras*
Aug. 12, 1967

Princes and Purses

How the AICC reacts to the princes, appeal to it to reconsider its decision on the privy purses remains to be seen, but the ex-rulers have set forth their case very cogently. The statement issued at the end of their two-day conclave in New Delhi is a model of moderation, considering that they have been seriously perturbed by the Congress move. Covenants and agreements negotiated and signed by the Union Government should not be trifled with in a cavalier fashion. What is involved is not only a legal issue. The Government cannot repudiate its plighted word without seriously weakening its own moral authority.

Since, as the Maharaja of Baroda has pointed out, the privy purses were a *quid pro quo* for the princes' contribution to India's unity, the move for their abolition raises other issues too. The ex-rulers can do nothing to undo the integration of their States with the Union, but the instruments of accession which Sardar Patel persuaded them to sign will lose much of their sanctity. The setting up of a permanent watchdog committee by the ex-rulers cannot be described as a revival of the Chamber of Princes, but it is a significant development. It may signalise the princes' complete break with the Congress. This, naturally, will depend on whether the AICC sticks to its decision and whether the Union Government is pressurised into implementing it.

Not all Congress leaders favour the abolition of the privy purses. Mr. Morarji Desai, for instance, has opposed the move, though as a Congressman he considers himself bound by the AICC decision. Since, as is well known, the decision was not taken after sufficient deliberation and was in fact the result of a snap vote, a reconsideration of the issue is highly desirable from the Congress party's own point of view. Mr. Desai and other Congress leaders who think like him should try to persuade the AICC to give more thought to the problem at its next meeting. It is possible that if the issue is reopened the resolution passed in a hurry at the Delhi meeting will be rescinded or substantially modified. There are many serious problems which demand the immediate attention of

the Government and the country. The continuance or otherwise of privy purses, which total only Rs. five crores annually, is certainly not one of them.

—*The Indian Express, New Delhi*
Aug. 15, 1967

Princes and Purses

Of the Congress stalwarts whom the masses repudiated in the fourth general elections, Mr Atulya Ghosh stands in the front rank. His standing in his own State has suffered a grievous diminution. Nevertheless, he has been at pains to keep himself in the public eye, and one way of doing this for a leader in danger of being forgotten is to issue periodical statements on matters exercising the public mind. Many, even in the Congress, are having an uncomfortable conscience on the subject of the AICC resolution about the abolition of privy purses. Mr Morarji Desai, for example, has frankly expressed himself against abolition. Mr Atulya Ghosh suffers no pangs of conscience on this issue. "International law," he feels, is on the side of abolition.

How, or why, international law should be invoked by the abolitionists is not clear. Mr Ghosh feels that "in the absence of any specific mention of a time limit in the treaties with the princes, and in the context of the material changes that have taken place since then it is open for the contracting parties to seek to change the provisions in the treaties." Material changes have taken place in India in the last 20 years, such as inflation, increasing indebtedness, decline in living standards and, as a consequence, widespread and sometimes violent discontent. But none of them, it would seem, has any relevance to the validity of the treaties between the princes and the Government of India.

Unbeknown to Mr Ghosh, there is a time limit in the treaties. The present Nizam does not get what was given to his grandfather who signed the treaty. The size of the purse diminishes with each succession. The money that the Government pays out today is not what it was when

the original treaties were concluded. A progressive reduction was provided for and has been put into effect down the years. Mr Ghosh goes on to say that "the privy purses of princes are contrary to the spirit of the Fundamental Rights embodied in the Constitution." How? Whose "fundamental rights" are violated by the princes getting the privy purses that the Government solemnly undertook to give them in return for the surrender of their revenues and powers? Truth to tell, abolition of privy purses is a demagogic trick, and decking it out in fine words is a contemptible thing to do.

—*The Mail, Madras*
Aug. 16 1967

Privy Purses

With Influential Dissenters within the Party itself, the Congress hard-liners seem driven to build up laboured theses as to why the AICC decision in favour of the abolition of the privileges and privy purses of princes is neither immoral nor a "breach of faith" Thus we find Mr. Atulya Ghosh citing Coupland (in his article in our Independence Day Number) to argue that treaty obligations without a time-limit may be reviewed or discarded after a lapse of time and in the light of changed circumstances. May be that the covenants with the princes cannot continue in perpetuity. But to equate barely 20 years with eternity would appear to set small store by solemn agreements. The nature of the commitments and the advantages derived by the nation by the deal with the princes soon after achieving Independence have been set out by Lord Mountbatten in another article in the same Number. As chief architect and inside observer of the momentous events during and soon after the transfer of power, Lord Mountbatten is surely qualified to speak with authority on such matters. As he points out, there was little doubt at the time among the top leaders of the Congress, including Sardar Patel, that the arrangement (incorporated into the Constitution) by which the princes were to retain the privileges and privy purses in return for the smooth integration of about 600 princely States with the Indian Union

was beneficial to the national interest. As for the argument that the agreement with the princes was entered into under some kind of duress, the princes may be said to have been under as much pressure to accede or face the consequences.

With considerable support for their cause even from several Congress M.Ps. (as was evident from the recent debates in Parliament), it is not surprising that the princes themselves have taken a cautious and not too militant stand against this proposed threat to their purses and privileges. They have no doubt set up a committee that may savour of the former Chamber of Princes, but their appeal to the AICC to reconsider its decision is moderate in tone and well-conceived. The 600-member AICC's mandate by 17 votes to 4 at the end of a tiring day's session may well be open to a review and lead to a more considered decision. If it is not mere political pique but a genuine desire to tone down all privileges in tune with the spirit of the times, there may be other ways to go about it. The privy purses have an element of self-liquidation built into them. The sum of Rs. 5 crores is all that is at stake at present in deciding to continue to honour commitments or seek elaborate processes like a Constitutional amendment to end the payments, since the privy purse is a charge on the Union revenues under Article 291 of the Constitution. Some of the privileges, also guaranteed by the Constitution like exemption from taxes, may appear less defensible, with the march of time and the spread of the "socialistic fervour". As we had pointed out earlier, the princes (or their heirs) who had surrendered their rights and ruling powers two decades ago, at the call of Sardar Patel, may again be persuaded to move with the times and agree to give up some of their privileges. But that cannot come about under the threat of action in terms of the snap decision of the AICC. True, the Maharaja of Baroda who briefed the Press about the proceedings of the recent conference of princes discounted negotiations with the Government to settle the matter, "from our side in any case". But they may readily respond if the Government takes the initiative to negotiate and the standing committee of princes that has now been set up could be the body to negotiate with.

—*The Hindu, Madras*
Aug. 17, 1967

Princes and Privy Purses

Privy purses are primarily a moral issue, and only secondarily a legal one. What the Union Law Ministry thinks about the matter is of no great relevance. The Law Ministry's opinion is, of course, not binding even on a legal issue. Ever since the AICC adopted the resolution in favour of abolition of privy purses, spokesmen of the Government and the party have been at pains to explain that abolition does not constitute a breach of faith, that it does not constitute even a violation of legality. To laymen, and to honest men who believe in keeping the plighted word, these explanations have looked more like quibbling than anything else. Whether what the AICC contemplates can be accomplished with or without an amendment of the Constitution, whether privy purses are a justiciable matter can be established only when the princes take these issues to a court of law.

The Union Law Minister confirms the opinion that his Ministry was known to have given when the matter was referred to it. "The Constitution", he says, "clearly laid down that, with regard to covenants there could be no adjudication in a court of law." This provision, however, does not necessarily lend itself to the interpretation that the Law Minister is disposed to give it. Sardar Patel was alive when it was incorporated in the Constitution, and since it was he who brought about the integration of princely States with the Indian Union, it is pertinent to ask why he thought such a provision necessary. It is well known that the Sardar thought privy purses a small price to pay for the surrender by the princes, in the interests of national unity of their original powers, privileges and revenues which were enormously larger than those they now enjoy. He said so himself.

If then he wanted a provision in the Constitution that there could be no adjudication in a court of law on the covenants with the princes, it was because he did not want some future Government, or even a private citizen, to put the princes to the expense and vexation of law suits. The Law Ministry puts upon this provision an interpretation which is the

exact opposite of what Sardar Patel intended it to bear. The Law Minister goes on to make the astounding statement that "the accession of the States to the Union was irrevocable and has nothing to do with the privy purses." On the contrary, it has everything to do with them. The accession was a *quid pro quo* for the purses and privileges that were guaranteed to the princes. Since the princes are now powerless, the Government can break the covenant with impunity. But it would be wise not to invoke law and morality because these are entirely on the side of the princes.

—*The Mail, Madras*
Aug. 22, 1967

Heart of the Matter

The Union Law Minister might be right in saying that there is nothing in the Constitution which comes in the way of abolishing the privy purses and the privileges of the Princes. In Mr. P. Govinda Menon's view these can be abolished merely by an executive order. Talking to newsmen in Delhi on Monday, Mr. Menon referred to Article 363 with an air of discovery. This article debars any court, including the Supreme Court, from taking cognizance of any dispute arising from the covenants or agreements between the former Rulers and the Government of India. In other words, the former Rulers have no legal remedy in case the Government decides to abolish their privy purses and privileges. Mr. Menon's argument is that since no remedy has been provided, the Government is free to do what it wishes even without amending the Constitution. As if this were not enough, Mr. Menon has expressed the view that covenants and agreements signed with the former Rulers became ineffective as soon as the Constitution was adopted. This last assertion by the Union Law Minister has grave implications which he would do well to realise before it is too late.

If Mr. Menon is correct in saying that all covenants and agreements became ineffective on January 26, 1950, there will be those in Pakistan and elsewhere who will seize on this point gleefully. They

might then argue that the Instrument of Accession signed by Maharaja Hari Singh of Jammu and Kashmir lost whatever validity it had more than 17 years ago. The matter is surely not as simple as all that. The implications of what Mr. Menon said on Monday are so disturbing that *the Union Cabinet should lose no time in applying its collective mind to this aspect of the question. It would be scandalously irresponsible on the part of the Government of India to enunciate doctrines which might cast doubt on the continuing legality of Kashmir being an integral part of the Indian Union.*

This apart, it is worth stressing that the constitutional aspect of the abolition of privy purses is not the heart of the matter. If there is a convincing case for abolition, amendment of the Constitution always provides a way out. The real question is whether the covenants entered into by the Government of India of its own free will after Independence should be treated as mere scraps of paper. The fact that the covenants and other agreements with the former Rulers were made non-justiciable in fact emphasises their sanctity. It was obviously the intention of the Government of India that these agreements should be considered more binding than a commercial contract which can always be enforced in a court of law. The controversy over the AICC's resolution has gone on long enough. The Union Cabinet must now apply its mind to the problem without further delay and take a firm and sensible decision. The problem is far more complex than Mr. Menon imagines.

—*The Indian Express, New Delhi*
Aug. 23, 1967

PRIVY PURSES

It is not for the Union Law Minister, Mr. P. Govinda Menon, but for a court of law to decide ultimately whether the ex-rulers can seek legal redress in the event of their privy purses being abolished. Mr. Menon has boldly declared that if the Government wants to abolish the privy purses, it can do so "even without amending the Constitution." It is surprising that Mr. Menon, himself a good lawyer, has shown abysmal ignorance about the provisions in the Constitution with regard to the solemn pledge that the Government of India made to the ex-rulers at the time of their States' accession to the Indian Union. Article 291 of the Constitution says that the payment of any sums, free of tax, which has been guaranteed or assured to any ruler of an Indian State shall be charged and paid out of the Consolidated Fund of India and the sum so paid to any ruler shall be exempt from all taxes on income. Article 362 enjoins upon Parliament and the State Legislatures to have due regard to the personal right, privileges and dignities of the former rulers of different States as provided by covenant or agreement. Even if these two articles are overruled, is it correct to assume that the covenant and agreement with the former rulers will cease to exist? As Mr. C. Rajagopalachari has pointed out, only the Constitutional guarantees will cease but they will become obligations under the ordinary law of contract. It will be interesting to know how Mr. Govinda Menon and his Ministry will circumvent the arguments advanced by Mr. Rajagopalachari. "As they (covenants and agreements) contain," says C.R., "not only the obligations of the Government of India to pay privy purses and observe certain rights and privileges but also the obligations of the princes to surrender their sovereignty, some of their palaces, lands and other property which they had when they signed the covenant, any legislation which nullifies only the obligation of the Government but preserves the obligations of the princes will be so iniquitous that it will shock the conscience of all reasonable persons." If the law supposes that it can do away with the obligations of one party to a contract but preserve those of the other, "the law is an ass" as Mr. Bumble said in 'Oliver Twist'.

Even if the Government can overcome the legal obstacles in abolishing privy purses, is it just to do so ? The major issue is not legal but one of honour and integrity. It is the bounden duty of the Government to fulfil all the pledges it has made. The Constitution of the country is in fact built on certain solemn pledges. One pledge was given to the religious minorities and it was declared that India "will have no State religion". The Government made another pledge to the Civil Service, ensuring their emoluments. The third pledge was made to the rulers. After twenty years is it now proper on the part of the Government to break any of these solemn pledges ? The argument that the Government is wedded to socialism and therefore it should deprive the rulers of their privileges does not hold good. Moreover, it is strange that the Government has kept silent on the issue for two decades and suddenly realised that the privileges which the rulers now enjoy go against the socialist ideals of the ruling party.

The privy purses promised to the rulers amounted to only Rs. 6 crores at the time of the States' accession to the Indian Union and that amount is getting reduced with every generation. The Nizam's privy purse has been almost halved. Gradually there has been a reduction in the States' expenditure on the ex-rulers. It is absurd to imagine that a socialistic paradise will be created the moment these princes become paupers. What has made the A-ICC suggest abolition of the privy purses is obviously the recent participation of certain ex-rulers in politics. So long as they supported the Congress, they were angles but the moment some of them became active members of certain non-Congress parties they were viewed with suspicion. It was Mr. Atulya Ghosh who first warned the rulers against active participation in politics just before the elections; and it looks as if the A-ICC is now bent upon carrying out the threat. But if the Government does not honour its pledges, it will not be honoured and such a state will not be a happy one. Privy purses are therefore a test case.

—*The Pioneer, Lucknow,*
Aug. 24, 1967

THE PRIVY PURSE ISSUE

WHAT
THEY
THINK...

S. Swaminathan
Nandan Kagal
Inder Malhotra
A. N. Sattanathan
Dr. Karni Singh
Frank Moraes
S. Narayanaswamy
Sputnik
Rani of Aundh
K. Santhanam
D. M. Buch
A. Appadorai
Bala Subramaniam Iyer
C. C. Desai
Nayantara Sahgal
K. K. Duggal
B. Shiva Rao
Prof. A. R. Wadia
N. C. N. Acharya
A. G. Noorani
The Earl Mountbatten of Burma
Inderjit
C. Rajagopalachari
J. S. Bisht
K. N. Nagarkatti
N. A. Palkhivala
S. T. Iyengar
Asoke Sen
Morarji Desai

Congress Conclave In a Low Key

By S. Swaminathan

The first session of the All-India Congress Committee after the party's "great debacle" in the general elections left no impact here. The session was thinly attended and there was an obvious lack of enthusiasm.

We saw pale faced, depressed and indifferent men. The only leader who gave some colour and life to the assembly was Shri S.K. Patil who was as exuberant as ever and who made a fearless and eloquent speech exposing the party's weaknesses and outlining the causes of the defeat of the Congress at the polls. He talked of indiscipline in the party ranks, character assassination, and Congressmen themselves working against party candidates.

His attack on the Congress leadership was blunt and forthright. He said: "It is not the Congress that has lost. It is not its objectives or its ideology that have lost, but it is the leadership of the Congress in many places which did not deserve to be there".

Former Home Minister Gulzarilal Nanda also had his full say. He said that the Congress had lost its vigour, its dynamism, its revolutionary zeal, its spirit of dedication and its sense of purpose during two decades it had been in office.

Purse Issue

The move to take away the privy purses has caused a stir among the ex-rulers. The official resolution put forward by the Working Committee asked only for abolition of special privileges but not privy purse. An amendment pressed by the Maharashtra leader Shri Mohan Dharia and carried by a majority lumped both privileges and purses together.

I talked to some ex-rulers who are now in the Congress. They told me that if they were deprived of the privy Purses, it would tantamount to repudiation of the Instrument of Accession. The rights and privileges as also the privy purses of the princes were determined by a solemn agree-

ment entered into by them and the Government of India and this pact was part of the Instrument of Accession.

The conference that is proposed to be convened by the Maharaja of Baroda is being looked forward to by the few ex-rulers who are still in the Congress. With the resolutions adopted at this meeting, they propose to meet the Prime Minister and Home Minister.

The proposal to abolish the privileges and privy purses of princes was first mooted by Shri Atulya Ghosh on the eve of the elections. There are not many princes in West Bengal and why did Shri Ghosh initiate the move? The story is that he was inspired by the Chief Minister of Rajasthan Shri Sukhadia whose main political opponent is the Swatantra Party swelled by the ex-rulers.

Rightly or wrongly some of these Rajas and Ranis have an immense hold on the masses. Rajmata of Gwalior and Gayatri Devi of Jaipur had substantially contributed to the rout of the Congress.

Naturally, these ex-rulers believe that the latest move is based on "political vindictiveness". They freely say that the Congress would further be weakened and the Swatantra Party would gain greater strength.

If persuasion fails, the affected persons may even seek redress in a court of law.

The proposal for bank nationalisation has not enthused the people. The general theory is that wherever the Government puts its hands, inefficiency creeps in. Former Finance Minister TTK who is known for his shrewdness had been resisting pressures for outright nationalisation of banks, as he was convinced that the objective in view could be fulfilled by tightening the fiscal restrictions on them. It is said that Shri Morarji Desai is now studying the implications of the A-ICC resolution and perhaps he may also come to the same conclusion as his predecessor.

The central theme of the Delhi session of the A-ICC was however the bankruptcy of leadership. In this situation, what is the role of Prime Minister Indira Gandhi? It was not clear whether the attack of Shri

Patil and Shri Nanda on the "leadership" was meant to be a censure on Shri Kamraj or Smt. Gandhi.

PM's Stand

The Prime Minister in winding up the session on Sunday by implication absolved herself of direct responsibility. She contended that reverses in the general election were not a sudden phenomenon. According to her, all through the years, the Congress had become weaker and weaker. She at the same time welcomed criticism which she said was essential to keep the leadership on its toes. Her consolation was that every "progressive step" taken by the Congress would inevitably arouse new enemies and pose new challenges. She did not spell out what those "progressive steps" were and why her party was defeated in spite of these steps.

She discreetly refrained from referring to the rising prices. She would certainly have raised her own stature and the stature of her party if only she had at least expressed her resolve to bring down prices of essential commodities.

*Courtesy: Free Press Journal, Bombay
(26-6-67)*

Radicalism Without Tears

By Nandan Kagal

The tumult and the shouting is now over and the angry young men of the Congress are no doubt pleased with themselves. A handful of them were able more or less to dictate the course of the New Delhi session of the AICC. A helpless and politically demoralised President had little to contribute to the session. He was not even able to make the AICC follow the agenda. This was inner-party democracy at work with a vengeance. In the past, barring one or two occasions, the AICC had mechanically and dutifully rubber-stamped the Working Committee's official resolutions. Congress radicals such as Mr. K.D. Malaviya used to put forward brave un-official resolutions or braver amendments,

make fiery speeches and, apparently exhausted by the exercise, timidly withdraw their resolutions and amendments at the last moment. On this occasion the angry young men acted more firmly and succeeded in getting at least one crucial amendment adopted after calling for a division. The pity is that their firmness was not coupled with good sense.

Then and Now

The AICC's directive to the Union Government to abolish the privy purses and the special privileges of the princes is an example of radicalism without tears. At the time of independence, the princes were a force to reckon with. They had political power and considerable economic resources. The feudal age had not quite ended in the greater part of the country. A radical stance against the princes at that time would have had meaning and relevance. Some twenty years later, such a stance is neither necessary nor meaningful. The hereditary powers of the princes were abolished through agreements negotiated by Sardar Patel and by his chief official aide, Mr. V.P. Menon. Whatever economic resources the princes had, were drained away by conspicuous consumption. Few of them were willing to suppress their feudal contempt for commerce and industry and use their resources in the new spirit of capitalism.

The result is that the princes as a group have ceased to be a major political and economic factor in the country's life. That many of them are extremely popular in their former territories, are easily able to win elections, and thereby wield political influence is a different matter. The new power elite is largely composed of the 'merchant princes' and industrial barons. The angry young men of the Congress know this very well. Being essentially cautious and prudent, they have directed their wrath against the members of the old princely order rather than against the new privileged class. This is bogus radicalism.

Pride and Prejudice

The pride of the princes might possibly be responsible for the prejudice which the AICC showed in the name of egalitarianism. But prejudice tends to destroy one's sense of fairplay and is a bad guide to action. This is not to deny that the princes enjoy a large number of

special privileges which are anomalous concessions to their pride. The full list makes instructive if at times comic reading. The main privileges are as follows :

The privy purse is completely exempt from income-tax and super-tax and also from the compilation of total income and world income; permission of the Government of India is necessary for filing a civil suit against Rulers, and they cannot be arrested on criminal charges without the Centre's permission; Rulers and their families are entitled to free medical attendance and treatment in Government hospitals; properties used for residential purposes of the Rulers are not to be requisitioned or acquired without their consent and without payment of reasonable compensation; all articles intended for the personal use of a Ruler with a 19-gun salute or a 21-gun salute or for a member of his family are exempt from customs duty, and the excise duty payable on petrol purchased by these Rulers is refunded to them.

This apart, the princes have several other special privileges. They and their consorts can fly their own flags on their residences, cars, and aeroplanes. The Government has to provide armed guards at their official residences, and they have to be provided escorts while travelling if they are willing to pay "appropriate charges". Rulers and the members of their families are allowed to possess weapons and purchase ammunition without licence, and their fishing and shooting rights are protected by the State. Other privileges are that, even in Republican India, they are to be addressed by their usually recognised titles. Some of the princes have a very special privilege, for what it is worth: their birthdays are public holidays in the areas constituting their former States. This is not an exhaustive list but it does indicate the status symbols of the feudal age.

The very listing of these privileges exposes their anomalous character in a republican democracy. But however anomalous, they are part of solemn agreements negotiated by the Government of India after the fullest deliberation. To alter those agreements without the genuine consent of the princely signatories or their recognised heirs would be a breach of faith. It may be argued that Sardar Patel and Mr. V.P. Menon were far too generous while negotiating with the princes. But even those who

are convinced of this cannot endorse the cavalier manner in which the AICC has directed the Government to treat the covenants as so many scraps of paper. Even in the relatively sordid world of commerce, contractual obligations cannot be treated so lightly. The law of the land sees to that. At the very least, the covenants entered into by the Government of an independent India should be worth as much as a commercial contract.

Compensation

The privy purses and the other privileges granted to the Rulers by Mr. Nehru's first Government were compensation for what might be called the nationalisation of the princely States. That the mode of paying the compensation is different from that of compensating jagirdars, talukdars and sundry zamindars in no way alters the fact that the privy purses and other, though not necessarily related, privileges are compensation for the Government of India's acquisition of certain property rights and powers. An impossible situation would be created if contractual obligations could be deliberately violated merely because of some demagogic speech at the AICC.

Of course, Parliament is sovereign and it can undo any agreements that might have been entered into by the Government of India. The special privileges of the princes are not protected by the Constitution. Only the privy purses are in a sense protected by virtue of Article 291. This Article read with Article 113(1) places the privy purses beyond a normal parliamentary vote. But these Articles are not entrenched clauses and can therefore be removed through a constitutional amendment. In other words, Parliament is fully entitled not only to abolish the special privileges of the princes but their privy purses as well. The point to be emphasised is that such an exercise of Parliament's powers would be a serious breach of faith.

When the covenants were negotiated, it was agreed that their provisions would not be justiciable. This amounted to an assurance to the princes that the covenants were sacrosanct and in a real sense beyond the law. The moral obligation for not making a unilateral change in the covenants is therefore all the greater. Mr. Mohan Dharia and those members of the AICC who voted for his amendment to the official resolution

might not be aware of this. But Mrs. Gandhi's Government cannot plead ignorance. It knows precisely what its obligations are under the covenants. These obligations must be fulfilled irrespective of the views of the pseudo-radicals of the Congress Party. Even in politics, sporting behaviour cannot be wholly dispensed with. The radicals have been firing away at sitting ducks. This is just not done. They should try to catch them on the wing.

Courtesy: The Indian Express, New Delhi
(29-6-67)

Congress Leaders Fail Over Privy Purse Vote

By Inder Malhotra

Over the years, the AICC has passed a succession of resolutions on important subjects ranging from the criteria for the selection of Congress candidates to crop insurance and from co-operative farming to a ceiling on urban land holdings.

But all these resolutions, without exception, have remained a dead letter. The Government and the Congress leadership have treated them with cavalier disdain. Why then all this fuss and pother about the AICC's snap decision to direct the Government to abolish privy purses along with other princely privileges ? What makes it so different from the many resolutions disregarded in the past ?

Obviously, there is a limit to every human phenomenon. The Congress leadership's capacity to ignore not only the sentiment of the rank and file but also decisions duly arrived at has apparently reached the point of exhaustion. Quite apart from the continuous decline in the prestige of the so-called Congress High Command, the outcome of the last General Election has brought about a qualitative change in Congress politics. The position may as well be stated bluntly and crudely. Until last winter, even those who did not feel particularly respectful towards the leadership behaved with a measure of restraint because they

were keen not to lose to the Congress ticket. Now, this inhibition has disappeared. It is more than likely that in future elections the Congress ticket will chase the candidates rather than vice versa.

Consequently, as Mrs. Tarakeshwari Sinha said eloquently and menacingly at the AICC, this time it would be impossible for the Government and the Congress leadership to pretend that the decision on privy purses just did not happen. Most of those who discomfited the High Command at the AICC are also active and vocal members of the Congress Parliamentary Party; some of them have indeed been heard to say that if positive steps towards the abolition of privy purses are not taken within three months, they would requisition an AICC session to censure the Government. Furthermore, those Opposition parties which are against privy purses are unlikely to allow the grass to grow under the Government's feet.

All in all, therefore, Mrs. Gandhi's Government is faced with an agonizing dilemma. It must either be stampeded into abolishing privy purses — a step entirely sound and wholesome in principle but in practice beset with grave Constitutional and political difficulties—or go back to the AICC to make the nearly impossible attempt to persuade the rank and file to reverse its decision.

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Even at the risk of being tiresome, one must repeat that the mystery of the AICC session is not the motive of those who pressed home a precipitate decision on privy purses but the failure of the Congress leadership to prevent the immensely difficult decision from being made so categoric and mandatory.

The discovery that any move to abolish privy purses can run into serious constitutional and legal difficulties is not new. In April, when the Congress Working Committee discussed the subject the Internal Affairs Committee of the Cabinet and the experts of the Home and Law Ministries also examined the issue at length. From this examination emerged the idea of leaving privy purses alone and abolishing other princely privileges, some of them undoubtedly anachronistic.

An impression exists that the princely privileges can be abolished without difficulty because, unlike the privy purses, they are not guaranteed by the Constitution. But in the opinion of legal pundits, this distinction is not very material. Article 291 which guarantees the privy purses can be amended or repealed by Parliament, thus bringing privy purses on par with other privileges; support from the Communists and other Leftist members can easily give the Government the necessary two-thirds majority. The real legal problem is that the purses as well as other privileges have been written into the 592 Covenants the acceding States and the Indian Union signed at the time of independence. These Covenants must be amended if either the privy purses or other privileges or both have to be abolished. And the top leaders think, quite rightly, that while the former rulers might agree to renouncing their privileges, their consent for the abolition of privy purses may not be forthcoming.

Under the circumstances, it is amazing that nobody on behalf of the Congress High Command tried to explain the position to the AICC delegates. Mr. Kamaraj was totally unconcerned; Mrs. Gandhi was absent, as were most other leaders; and Mr. Morarji Desai, who had left earlier, came back just in time to vote against the abolition of privy purses. About Mr. Chavan, who remained neutral during the voting, it is being said that far from discouraging the opponents of privy purses, he egged them on press their motion to vote.

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There is no doubt that the Union Home Minister's political beliefs have always been to the left of centre. But, from all available evidence, it is wrong to say that he "engineered" anything at the AICC session. Yet, if the impression about his involvement with the High Command's discomfiture at the AICC persists, there are two reasons for it.

First, the demand for the abolition of privy purses was pressed by Mr. Mohan Dharia and other delegates from Maharashtra, who were always seen clustering round Mr. Chavan. Secondly, the move to do away with privy purses was a reflection as much of the Congress Party's anxiety to project a Left-leaning image (the exercise was started by the Congress Working Committee itself in the aftermath of the elec-

tions) as of the rank and file's discontent with the leadership, just as at Jaipur in February 1966, the demand for the abolition of food zones became the focal point of discontent. During the conflict between the platform and the floor at the AICC, it was noticed by many that Mr. Chavan gave the platform a wide berth and sat among the delegates on the floor.

Some complex features of the Congress rank and file's discontent and its choice of privy purses as the principal issue deserve notice. In the first place, an attack on privy purses was the simplest and least troublesome method of projecting a socialistic image; other measures of socialism and egalitarianism might require from the Congress Party and its members a measure of sacrifice and discipline of which they are incapable.

Secondly, even though the undoubtedly strong and popular sentiment against privy purses has been voiced in the councils of the Congress Party from time to time, it is doubtful if the protest would have acquired the present tempo had princes not taken part in the last elections in large numbers and given the Congress party a run for its money in several States.

Curiously another reason for the current feeling against the princes is that some of them are in Mrs. Gandhi's Government and are believed to be firmly entrenched in the Establishment. Strangely enough, even Mr. Dinesh Singh, who is no prince and gets no privy purse, is generally described by his Congress critics as a representative of the princely order.

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Where do we go from here ? The Cabinet has yet to come to grips with the problem formally, but top leaders have informally given a great deal of thought to the consequences of the AICC's decision.

From all accounts, the general conclusion is that a unilateral change in the Covenants, which is what the abolition of privy purses would amount to, might create more problems than it might solve. The least important of the anticipated difficulties is the possibility that the Courts might declare such a step illegal. Some people have expressed the fear that any or some or all of the princes might be ill-advised

(or well-advised, depending on the way one looks at it) to repudiate other parts of the Covenants, also unilaterally. Such a state of affairs can give much comfort to India's enemies, especially where Kashmir and Kutch are concerned.

A good deal of talk has also taken place about the "morality" of honouring the plighted word of Sardar Patel, endorsed by Mr. Nehru, the whole Government of India at the time and the Constituent Assembly. Of course, there is no answer to the question whether it is moral to break the countless promises made to the people simply because these were not written into Covenants; nor is there any morality in a situation where a handful of princes have enormous wealth and privilege as well as tax-free privy purses, while millions live below the breadline. But the policy-makers are worried that a breach of the covenants signed with the princes might lead to a general lack of faith in the Government of India's word. The powerful ICS fraternity is worried that if Article 291 goes by the board, will Article 314, which guarantees their rights and privileges, lag behind ?

Two schools of thought are slowly emerging from this agonized thinking. First, that before taking any decision on the merits of the issue, the Supreme Court's advisory opinion might be sought about the legality of abolishing privy purses.

The second line of thought aims at revolution by consent. It is suggested that negotiations might be started with the princes about an amicable settlement under which privy purses might be done away with gradually and over a period of time, if necessary by commuting the purses and giving the princes a lump sum in bonds.

Mr. Chavan was due to begin a series of consultations with groups of princes from the beginning of August on the question of abolishing the privileges other than privy purses. It remains to be seen if the scope of the discussions will be enlarged to include the purses as well.

Courtesy: The Statesman
(30-6-1967)

Illegal and Immoral To End Privy Purses

By A.N. Sattanathan

In the context of the poverty of the country and the appalling disparity between the wealthy few and the starving millions, the recent proposals of the AICC regarding the Privy purses and privileges of the Princes have considerable emotional attraction. But it is necessary to view this question in the light of history.

History here is not ancient history which can be forgotten except by scholars, but recent history scarcely 17 years old. Great changes have been wrought by revolutions, like the French or the Russian. But the history of Indian independence and consolidation has not been on these models and nothing has happened during the last short 17 years to change the course set by the leaders of the nation in negotiating with the Princes. It is somewhat distressing that facts of recent history within the personal knowledge of all those who are now in charge of the Nation's destiny should have been either forgotten or ignored.

Lapse of Paramountcy

When the British authorities decided to leave India, what was known as Paramountcy lapsed. The legal position was set forth in the memorandum of May 1946 which the Cabinet Mission negotiating transfer of power handed over to the Chamber of Princes. This memorandum, which was the starting point in the history of the Princely States' relationship with the newly emerging Independent India, clearly stated that all rights surrendered by the Princes to the British (Paramount) Power reverted to them. They were virtually independent and it was open to them to form viable units amongst themselves so that they could be fitted into the emerging constitutional structure or to negotiate for any other political arrangements with the successor-power.

The States having regained practically independent status—some

even thought sovereign status—were placed in a very advantageous position to bargain with the successor-State. The Princes were made fully conscious of their position by their British Advisers and they set up a negotiating committee to negotiate with the parallel committee set up by the Constituent Assembly; and during the early stages, the price the princes asked for was very stiff indeed and they were unwilling to commit themselves to any sort of merger which would undermine even the independence of their internal administration.

It was at this time that Lord Mountbatten announced what is known as the plan of June 3, 1947, which foreshadowed very speedy transfer of power, almost advancing the date of transfer by a year. This increased the urgency of the situation and accelerated the tempo of events. As far as the States were concerned, Paramountcy was lapsing within a few months, with nothing done to fill the political vacuum. Chaos was staring and not a few States thought in terms of Independence. The British Government was even prepared to consider lapsing of Paramountcy in advance of the date of Independence in special cases, if a particular State desired such a course. Many States were actually more anxious to improve their bargaining position than in coming to a speedy settlement with the emerging Dominion in advance of the Independence date.

In fact, Jinnah and the Muslim League went further and, according to V.P. Menon, claimed that every Princely State was a sovereign State and should be treated as such—a position very strongly resisted by Jawaharlal Nehru, who insisted that the States should necessarily join one or the other of the emerging Dominions. But the atmosphere in June 1947 was by no means conducive to speedy settlement. The State of Travancore declared its intention to set up as an independent State and to having a Trade Commissioner in Pakistan!

Already communal riots had broken out in Bengal, the Punjab, and the Frontier, and the two-way stream of refugees had begun. The Army was being divided up, and what was to be India's share of the Army had its hands full, coping with civil disorder and refugees, and transport of any kind was a problem in the affected areas. Some of the Princely States had built up powerful military forces as a part of their war effort. If the

Princes tried to be recalcitrant, an initial period of chaos was inevitable, and many seriously apprehended this development. The situation was further aggravated by the fact that many military cantonments and installations were located in the States and, with the lapsing of Paramountcy, the arrangements laboriously built up over a 100 years over co-ordination of communications, Railways, P. and T., etc., could also breakdown.

Breakdown Averted

The date for Independence had been fixed by then as August 15, 1947, and in July, no solution to the crisis was in sight, though some Princely States had expressed their willingness to accede to Defence, and a few others, to External Affairs and Communications as well and had sent representatives to the Constituent Assembly. The Independence Bill was before Parliament and H.M. Government refused to take any lead in solving the princely problem. Sardar Patel and his redoubtable Secretary, V.P. Menon, just then invented two bright ideas to tide over the breakdown—the Standstill Agreement, and the Instrument of Accession. The former was designed to continue the existing arrangements on the relationship of the Princely States with the Delhi successor-Government, and the latter ensured the accession of the Princes individually to the three Central subjects. If all the Princes agreed to these two, the relations covered by Paramountcy and other Treaty arrangements would continue without change till a proper settlement was worked out, and the representatives of the States were brought into the Constituent Assembly.

The drafts, of these two documents were circulated to the Princes towards the end of July and frantic negotiations began to make them accept these before August 14, 1947. These instruments applied only to the major States, about 140 in number, and the other few hundred smaller ones were governed by a different instrument under which the Central Government was to take over their estates and manage them more or less as it was done by the old regime.

The gravity of the situation and its explosive character could be realised, when it is recalled the Travancore was recalcitrant till the last date. Hyderabad announced its independence and Junagadh and two other smaller Muslim States offered to join Pakistan! The Nawab of Bhopal

was playing with the idea of organising a third force and admitted surrender only at the last minute. Some States agreed only to the Standstill Agreement and wanted to mark time over accession. A bold decision was, therefore, announced on August 1, 1947 that the Standstill Agreement was open only to those who acceded. Getting accessions signed by 140 Rulers was by no means an easy affair, if this was to be achieved before the deadline.

Excepting Hyderabad, Kashmir and Junagadh, the others fell in line, cajoled and coaxed—but in an atmosphere far from blackmail or threat. As V.P. Menon remarks, “We had obtained a breathing space during which we could evolve a permanent relationship between the Government of India and the States.” But the unity of India was preserved. All the old agreements and administrative arrangements continued unaltered. The prophets of doom were falsified, thanks to the Sardar’s statesmanship. By and large, after an initial period of hesitation, brinkmanship and bargaining, the Princes behaved as patriots and the Sardar himself acclaimed them as the “co-architects of a free and united India.”

Constitutional Guarantee

It took another three years before all the negotiations were finalised and the first stage of integration was completed. The payment of privy purses and the retention of Privileges and immunities were skilfully negotiated individually and settled. During this period, India had to meet the challenges to the process of integration in Kashmir, Junagadh and Hyderabad. All who were at the helm of affairs freely admitted during this time that there easily might have been more such episodes with disastrous consequences if the Princes were less patriotic and more aggressive.

The price paid for this peaceful consolidation by way of privy purses was described as “small” by the chief architect of Integration, Sardar Patel himself. In commending Article 291 of the Constitution, guaranteeing Privy purses free of taxes, agreed to under the various covenants and agreements, Sardar Patel told the Constituent Assembly, “The privy purse settlements are, therefore, in the nature of consideration for the surrender by the rulers of all their ruling powers and also for

the dissolution of the States as separate units. We would do well to remember that the British Government spent enormous amounts in respect of the Mahratta settlements alone. We are ourselves honouring the commitments of the British Government in respect of the pensions of those rulers who helped them to consolidate their empire. Need we cavil then at the small—I purposely use the word small—price we have paid for the bloodless revolution which has affected the destinies of millions of our people.” The Sardar warned that any dishonouring of their guarantees would be a “breach of faith”.

The covenants were bilateral agreements entered into between the Princes and the People of India as represented by the Government of the day which was in every sense a National Government—much more than a Party Government. The surrender of sovereignty and revenues were voluntary acts of almost sovereign Princes and Article 291 provides the Constitutional guarantee for the payment of the Privy purses and Article 362 similarly guarantees the rights, privileges and dignities of the Princes. The facts that disputes arising out of these were made not justiciable is not a justification for violating these guarantees. In fact Article 363 was specially designed to place such disputes out of the courts of law, so that they might be treated at a statesmanlike level, free from rancour and agitation.

V.P. Menon has eloquently pointed out in the “Integration of Indian States” that the Government of India gained substantially even in material terms, apart from the benefits of territorial consolidation and preservation of internal order and stability. The Government took over from the States (other than Hyderabad and Mysore) cash balances and investments amounting to Rs. 77 crores. The value of buildings and palaces taken over will amount to several more crores. The cash balances and assets of Mysore and Hyderabad were passed on to the successor State Governments, as they were treated as viable, till they were subsequently enlarged to their present sizes. Their assets must have been considerable.

Along with these should be reckoned the Federal sources of income from many thousand miles of railway system which the States surrendered without any compulsion or compensation and the immense

benefit to internal commerce by the abolition of the States' internal Customs and Excise systems. It was also settled that, while the existing Princes might have commitments of a higher order to justify their large Privy purses, as far as their successors were concerned, these amounts were to be reduced by arrangement and it is estimated that the amounts will go down substantially. As against these substantial financial benefits, the Privy purses amount to only Rs. 2.73 crores per annum. This would represent hardly 2 per cent interest on the assets transferred from the Princes to the Government of India.

Breach of Faith

It is against this historical background that this question of Privy purses should be viewed. There is the plighted word of the people. There are covenants having the sanctity of treaties and there is the Constitutional guarantee. We pride ourselves on our morality and on our spiritual values. The Princes are in the position of "vanquished" parties and the people are the victors. There must be honour and chivalry in treating with them. If we forget history within 17 years, history will not forget a people who had gone so soon back on their solemn promises and covenants.

It is not as if the Princes by their conduct have deserved punishment. Gone are the ways of life of the Maharaja's of fiction. They have merged with the people and taken part in their social, economic and political life. Many have entered business and industry and made wise investments of their money—that is a national asset the fruit of which will be shared by all. If they have dabbled in politics, it is a right which cannot be denied to them. As long as this country allows big money and big business to flourish, there is no justification for singling out the Princes and breaking the solemn covenants with them. If the economy of the country needs further sacrifices from them, the Princes, approached in the same friendly spirit of the Sardar, would again voluntarily come forward to bear more sacrifices.

Courtesy : The Hindu, Madras
8 July, 1967

Princes and Their Purses

By Z.M.

On the eve of Independence there were some 554 Indian states with an area of nearly 500,000 square miles and a population of 86.5 million. The fact that most of these states were integrated peacefully into the Indian Union is a remarkable achievement, the credit for which is due not merely to the realism and far-sightedness of Sardar Patel and V. P. Menon, but also in a large measure to the patriotism, generosity, accommodation and sense of fair play of the princes.

No matter what the angry men of the Congress might say now about the socialistic pattern of society, in 1947 it was generally recognised by everyone from Mr. Nehru and Mr. Patel downwards that the princes would not and *should* not be expected to surrender their states, their vast revenues, their immense power and prestige without a fair and honourable settlement in return.

The privy purses and privileges granted to the princes form a part of this settlement. They are not charity given out of the generosity of Congress hearts to be withdrawn whenever the princes misbehave. They are the price—and a very low price at that—which the Government and people of India must pay in perpetuity for the bloodless revolution which brought about the peaceful unification and consolidation of the Indian Union.

The Government of India in various merger agreements and covenants guaranteed to the rulers of the princely states a total amount of about Rs. 5.70 crores as their privy purse. This has already been reduced by Rs. 85 lakhs and now stands at about Rs. 4.82 crores. Besides they were allowed certain ceremonial privileges which have today largely fallen into disuse or been curtailed.

Not only is this amount paltry compared to the Government's total expenditure of Rs. 2,700 crores, it is positively meagre when one thinks of the vast assets both tangible and intangible which the princes gave up.

Financially alone the balance sheet is vastly in favour of the government. At a rough and conservative estimate the princes spent before Independence at least Rs. 20 crores on themselves and their families. When the administration of the States was taken over, the new governments inherited cash balance and investments exceeding Rs. 77 crores.

Break-up of privy purses of over Rs. 10 lakhs received by eleven princes with reductions after the death of the original rulers:

Nizam of Hyderabad—Rs. 43 lakhs (reduced to Rs. 20 lakhs after the death of the 13th Nizam).

Gaekwad of Baroda—Rs. 26.5 lakhs (since reduced to Rs. 14.54 lakhs).

Maharajah of Mysore—Rs. 26 lakhs.

Maharajah of Gwalior—Rs. 25 lakhs (since reduced to Rs. 10 lakhs).

Maharajah of Travancore—Rs. 18 lakhs.

Maharajah of Jaipur—Rs. 18 lakhs.

Maharajah of Jodhpur—Rs. 17.5 lakhs.

Maharajah of Bikaner—Rs. 17.5 lakhs (since reduced to Rs. 10 lakhs).

Maharajah of Patiala—Rs. 17 lakhs.

Maharajah of Indore—Rs. 15 lakhs (since reduced to Rs. 5 lakhs).

Maharajah of Bhopal—Rs. 11 lakhs (since reduced to Rs. 6.7 lakhs).

During the settlement of private properties the rulers gave up over 500 villages in addition to thousands of acres of jagir lands. Other assets which they surrendered—many of them voluntarily—included palaces, museums, cars, planes, stables, the value of which must have considerably gone up while the value of the rupee has consistently gone down.

One ruler alone, the Nizam of Hyderabad, surrendered personal estates yielding an annual net revenue of Rs 124 lakhs in return for a compensation of Rs. 25 lakhs per annum during his lifetime.

The privy purses were fixed on a sliding scale and fluctuate violently from Rs. 43 lakhs received by the Nizam to the truly princely sum of Rs. 324 given to some of the ex-rulers of Orissa.

Of the 554 states at the beginning of 1948, only 284 receive privy purses; the others having settled for zamindari rights. Of the 284, 179 rulers receive privy purses of less than Rs. 1 lakh, 78 between Rs. 1 lakh and Rs. 5 lakhs, 13 between Rs. 5 lakhs and Rs. 10 lakhs and 11 above Rs. 10 lakhs.

These amounts are to be paid during the lifetime of the current ruler, many of them being almost halved thereafter. Privy purses have already been abolished in five or six states where the rulership has lapsed.

So much for the financial cost of integration. If there are those today who think that even these political pensions are excessive, it is as well to remember that both the Constituent Assembly and Parliament congratulated Sardar Patel for having negotiated almost the minimum privy purse. Actually even double this amount would have been an insignificant price to pay for the unity of the country.

One shudders to think of the cost to the country, not only financially but in terms of loss of human life and prestige if the Hyderabad and Junagadh actions had had to be repeated a hundred-fold. How much earlier would the process of balkanisation have started if even some of the princes had refused to give up their sovereign rights and encouraged disruptionary movements within their states !

Despite the fact that the balance-sheet was overwhelmingly against them, the princes adhered to their side of the bargain. Can the government in honour refuse to discharge its debts because they are now too weak to enforce its payment ? When the covenants were signed Sardar Patel assured the rulers that their prestige and dignity would be fully maintained and that they would have no cause to regret their sacrifice—a sacrifice which in the words of the Sardar brought about “the great ideal of geographical, political and economic unification of India, an ideal which for centuries remained a distant dream and which appeared as remote and as difficult of attainment as ever even after the advent of Indian independence.”

Political memories are proverbially short but it will be a sad day for the honour and integrity of the Government of India when the Congress party repudiates the solemnly pledged word of one of its most illustrious leaders.

Courtesy: The Times of India, Bombay
July 16, 1967

The Privy Purse—Its Justification

By Dr. Karni Singh, M.P.

Critics who question the grant of privy purses and privileges to former rulers demand justification for these perquisites and ask why ex-princes should not be treated the same as ordinary citizens of India.

Actually the question has been answered by the States Ministry itself which has recorded this view: "By their voluntary surrender of ruling powers, the rulers have made a noble contribution towards the unification and democratisation of India. The Government of India, therefore, consider it of the utmost importance that not only should the guarantee in all solemnity given to them be effectively implemented, but they should receive all personal considerations and courtesies which should have been due to them if they had continued as heads of the administration of their respective states".

The advocates of abolition of privy purses also argue that facilities for supply of free water, electricity and telephone connections have been abused by ex-rulers. Without calling for specific instances it should be remembered that all these three privileges were the result of a bargain, a bargain which a White Paper of the Constituent Assembly has described in the following terms: "from the financial point of view therefore, the arrangements that we have made are going to benefit materially the economy of this country".

Besides privy purses of all former rulers have not been fixed in perpetuity as it is sometimes made out. In fact in Rajasthan the principle

is applicable only to the erstwhile states of Bikaner, Jodhpur and Jaipur, free telephone connections have been limited to the number actually needed for household requirements.

White Paper

The agreement arrived at between the Government of India and the ruling chiefs has to be viewed against the events which preceded the birth of the Dominion. Paragraph 74 of the White Paper issued by the Government of India says:

As Sir Reginald Coupland says the necessity of political, economical and geographical unity was vital to the very existence of the Dominion of India—'India deprived of the states would have lost all coherence. For they formed a great cruciform barrier separating all quarters of the country. If no more than the Central Indian states and Hyderabad and Mysore were excluded from the Union, the United Provinces would be almost completely cut off from Bombay and Bombay from Sind. Strategic and economic implications are obvious enough... India would live if the Muslim limbs in the northwest and the north-east were amputated, but could it live without the heart?

Sardar Vallabhbhai Patel, the Union Home Minister, who piloted in the Constituent Assembly the relative Article 291 providing total immunity from taxation to the rulers' privy purses and Article 362 giving constitutional protection to the personal rights and dignities of the rulers, pointed out that there was no distinction between the expenditure on administration and the rulers' privy purses. The amount spent on the rulers and their families was estimated to exceed Rs. 20 crores annually. By the agreements of merger and Covenants made for the fixation of the privy purse, all items of expenditure on the account of family were included and reduced the burden of the expenditure on the rulers by at least one-fourth. Besides the states will benefit considerably from the process of integration in the form of cash balances inherited by them from the rulers. In the matter of income-tax evasion alone, which has been a serious matter in the recent years, the gain from federal financial integration will prove very substantial.

Sacrifices

Sardar Patel appraising the sacrifices of the princes for the sake of the unity of the country said, "Let us do justice to them. Let us place ourselves in their position and then assess the value of their sacrifices. The rulers have now discharged their part of the obligation by transferring all ruling powers and by agreeing to the integration of their states. The main part of our obligation under these agreements is to ensure that the guarantees given by us in respect of the privy purses are fully implemented. Our failure to do so would be a breach of faith and seriously prejudice the establishment of a new order".

The then Union Home Minister had to remind some of the members of the Constituent Assembly that the situation as it obtained at that time was indeed fraught with immeasurable potentialities of disruption for some of the rulers did not wish to exercise their technical right to declare independence and others to join the neighbouring Dominion. "If the rulers exercised their right in such an unpatriotic manner they would have found considerable support from influential elements hostile to the interests of the country.... There was nothing to compel or induce the rulers to merge the identity of their States. Any use of force would not only have been against our professed principles, but would have caused serious repercussions", Sardar Patel said. He added :— The minimum which we could offer to them as *quid pro puo* for parting with their ruling powers was to guarantee them privy purses and certain privileges.

In determining the privy purses of rulers Sardar Patel wisely made it a special point to consult at every important stage the political leaders of the region concerned and it was a matter of great satisfaction that, so far as the fixing of the question of the privy purse in each case was concerned, the amounts were fixed after due consultation, or, where necessary, recommendations of the prominent regional leadership. The ultimate determination was, as far as possible, in consonance with the advice so tendered.

There is also the question to reduce or take away the present right regarding the exemption of their privy purses from all taxes on income.

The rulers from the beginning were anxious that the amount of Privy Purses shall be free of all taxes. This wide exemption was completely in accord with the total exemption from all taxes in their capacities as Rulers of their States and the States Ministry undertook and guaranteed to continue this exemption in tact and this was provided under various covenants. But the Rulers in their over-confidence and unshaken faith in the Government of India's assurances could not remain alert and watchful enough at the time. Article 291 was introduced in the Constituent Assembly, and the Government of India in their administrative ingenuity and astuteness contrived at limiting considerably the wider ambit of exemption from "All Taxes", Provincial or Central, to mere "free from all taxes on income". This contrivance straightaway limited the scope of exemption from "All Taxes" to only taxes on income. In addition, whereas the value in terms of purchasing power of the Privy Purse has been reduced by half, the liabilities to be covered under this lump-sum have increased considerably over the years.

The facts cited here alone should be enough to prove that the privileges, personal rights and dignitaries, guaranteed to the rulers of erstwhile Indian states were more than justified and deserve the sympathy and support of all justice-loving people and eminent politicians of the country.—(P.S.).

Courtesy: The Amrita Bazar Patrika, Calcutta
July 16, 1967

Hare and Hounds

By Frank Moraes

Running with the hare and hunting with the hounds is an old political pastime. The Congress Party has practised the art with some subtlety over the years but more recently its hand (or is it foot?), as in most other things, seems to have lost its cunning. These days its energies are concentrated mainly on running with the hare—and running for all it is worth.

Simultaneously, of course, it makes a pretence of hunting with the hounds. Russia or the UAR have only to say the word for India to unceremoniously drop all other things and run to their fold. Russia is still very much of a hound but the UAR unfortunately is nowadays very much of a hare. But hare or hounds apparently matter very little to the Government of India which seems at home in the company of either. That New Delhi should run at the beck of a hare is the measure of its international standing today.

Worries and Cares

To vary the metaphor, nationally or internationally, India and with it the Government of India are well below the Plimsoll line. They are overloaded with worries and cares—largely of their own making. The yardstick they apply varies however with different countries. It is noticeable that the anti-Indian broadcasts of the Russian Peace and Progress station, though known and heard widely for many days in this country, have roused only a mild murmur from the Government of India and no protest whatever from the Communists. Had the Voice of America been guilty of the smallest criticism of India and Indian affairs the uproar from the Red benches in Parliament can be imagined and Mr. Chagla, now baying for the blood of Tel Aviv, would be baying for the blood of these vile American propagandists and broadcasters. Meanwhile, of course, we continue taking aid from both.

Internally the same gimmick is played with the hare and the hounds. Come election time and the Congress warlords are busy collecting ransom and booty from the very capitalists they are denouncing the rest of the year. The role of bloodsuckers is temporarily reversed—for the good, no doubt, of the party and the people. The Princes are fair game at any time. Tolerated if they succeed in winning a few seats for the Congress, they are denounced as human and political vampires if they are rash enough to sit on the wrong side of the House.

En masse the plebs continue to have an edge on the Princes. It is good Socialist economics and ethics, of course, that the privy purses and privileges of the Princes should be automatically downgraded under the Constitution while Members of Parliament, rightly conscious that charity begins at home, should steadily upgrade their own salaries and allowances. While the lowliest of the Princes, the ruler of Katodia in Saurashtra, enjoys a privy purse of Rs. 192 a year fixed meticulously by a benign Government, while 22 of the princely order in former Vindhya Pradesh wallow in Rs. 700 a month and around another 50 live in plutocratic splendour on a little over Rs. 1,000 a month, our poverty-stricken MPs have permitted themselves to make do on a mere Rs. 1,200 a month plus free first-class train travel throughout India, heavily subsidised furnished quarters at low rentals in New Delhi, 300 free telephone calls a month and a few other messy allowances and perquisites. As embryonic MPs or members of the Constituent Assembly in the faded 1940s our legislators only drew a daily allowance of Rs. 21. This financial largesse, however, even then outvied that of the unfortunate ruler of Katodia condemned to a pittance vile of less than Rs. 21 a month. Our MPs have certainly come on over the past twenty years.

Gasping in Protest

Gandhiji visualised a ceiling of Rs. 500 a month for our Ministers, a prospect which rightly left them gasping in protest. However, there was never any real danger of any of them being tied to that life-line. Over the years they also have progressed financially, proportionately even faster than the four Five-Year Plans they have devised for the benefit of their countrymen. Under the Act known as the Salaries and Allowances of Ministers Act of 1952, a Minister, other than a Deputy Minister,

is paid a salary of Rs. 2,250 a month. A Deputy Minister has a salary of Rs. 1,750 but, like a Minister he also enjoys certain free amenities on a graded scale. Under the Act the term Minister means a member of the Council of Ministers and would therefore include Cabinet Ministers and Ministers of State.

Mrs. Gandhi's Government, i.e., Council of Ministers, comprises 19 Cabinet Ministers and 17 Ministers of State. Apart from a salary of Rs. 2,250 a month these Ministers are entitled to various free amenities. These amenities include free rent for a furnished house with staff quarters, garden, malis, etc., which ordinarily would fetch a rental of from Rs. 2,500 to Rs. 3,000 a month. Additionally, "maintenance" in relation to a residence "includes the payment of local rates and taxes and the provision of electricity and water". In other words, the charges for electricity, water and maintenance (which would include the salaries of malis, peons and police) are met by the Government. Each Minister is also entitled to a sumptuary allowance of Rs. 500 a month. On assuming and relinquishing office a Minister has his travelling expenses to and from New Delhi paid. The payment includes free travel for himself and his family and for the transport of his and his family's effects. On all tours undertaken by him in discharge of his official duties, whether by sea, land or air, a Minister is entitled to free travelling plus daily allowances. On a train he is entitled to a separate saloon or wagon. Additionally he and members of his family are allowed free medical treatment which includes free medical accommodation in Government hospitals.

Undertaking

Thus a Minister's monthly salary and emoluments in terms of real money averages Rs. 7,000 a month or Rs. 84,000 a year. As against this, the average yearly payment as privy purse to an Indian Prince, on the basis of a total of 540 Princes absorbing Rs. 480 lakhs, works out to approximately the same yearly earnings of a Union Minister. This apart, while a Union Minister's salary and emoluments have the sanction of Parliament they do not form part of an obligation embedded in the Constitution and enshrined in a covenant of covenants. A covenant is a contractual undertaking between two parties—in this case, the Government of India and the Princes. It can be broken or amended only by the mutual consent of both parties. It cannot be unilaterally amended or broken

by any one of the two parties. By their commitment to the Princes the Union Government and Parliament are pledged to protect the hare from the hounds. They cannot now suddenly reverse the role and hunt with the hounds.

Courtesy: The Indian Express, New Delhi
July 17, 1967

No Justification to End Princes' Privy Purses

By S. Narayanaswamy

It has now been admitted that only about Rs. four crores are disbursed as Privy Purses to the former ruling Princes of India. The Budget of India is about Rs. 3,000 crores. The privy purses constitute approximately 0.13 per cent thereof. The AICC that met the other day and took a solemn decision to abolish privy purses could not have done so to effect budgetary economies. It obviously wanted to disarm the ex-rulers—a very small minority of whom had the temerity to display sufficient public spirit to participate in the political affairs of India.

The Congress left wing, which has become rather articulate in the last few years, was not only allowed to vociferate, but to get away with a resolution to abolish privy purses in an incredibly thin AICC session, according to high authority—but the elders, who were supposed to guide the rank and file, acted with all the passivity of U.N. observers and did not trouble to tell them of the solemn pledge given by Sardar Patel, when he brought about the integration of Princely India through persuasion—without a shot being fired or a drop of blood being spilt. Considering that the Paramount Power left India like an absent-minded professor (in so far as the Indian States were concerned) without so much as lifting the hat and the Government of Free India had to do direct negotiation for the merger of 600 odd States all over India, Patel's task became truly formidable. But the overwhelming majority of princes had a fairly clear appreciation of the magnitude and complexity of

an integration problem created by a sudden vacuum and consented to the merger. Patel's grit, determination and courage won the admiration of the world and in slightly lesser measure, the responsiveness on the part of the princely order.

Princes' Commitments

There is an impression that former Indian princes have accumulated an incredible amount of private wealth and the privy purse is a superfluous appendage, which they can do without. The Indian princely order has private property, but the income from such property attracts personal taxation in the highest brackets of super-tax and is, therefore, nearly fully absorbed by taxes on income and on wealth. In several cases, wealth has become a liability in that large unrentable, residential buildings are assessed for wealth tax on the basis of built-up area and annual valuations are escalated year after year. In the result, several of the princes are paying out their property and investment incomes and interest on deposits in the form of taxes on income and wealth taxes. When tax liabilities exceed taxable income, the excess amount is being paid out of privy purse receipts—where they are not paid by sales of assets.

The maintenance of staff, pension to retired palace officials, maintenance of palaces in reasonable condition, benefactions to temples and charities and payments to dependants have been among the major items of privy purse expenditure. The abolition of the privy purse may compel the ex-rulers to dispense with the major part of their staff and stop pension payments. Benefactions will have to cease and ex-rulers, in many instances, may have to step out of palaces which they will not have the resources to maintain.

There is hardly any justification for causing this hardship and this heart-burn to a group of unobtrusive and enlightened persons, who gave up sovereignty over their States and principalities some 20 years ago. This action exposes the Government to the charge of breach of the plighted word in order to save under Rs. 4 crores for the Exchequer. Rs. 4 crores of to-day's money have to be correlated to a bare Rs. one crore of 1946-47 money, in terms of current debilitated purchasing power. Rs. 4 crores constitute the not infrequent over-run in cost of

individual Public Sector projects—sometimes a fraction thereof—according to Public Accounts Committee's Reports from year to year. The project administrators are not known to have got their digestion disturbed over these excesses of expenditure over estimates. In the background of plan and project expenditure to-day, in terms of tax receipts, which often leave budget estimates very much behind, what is this sum, of which the princely order is sought to be deprived ? Our thirst for Leftism is often quenched by the heady wine of poverty-spreading programmes—which is the negation of socialism, because socialism speaks of the maximum happiness of the maximum number, not the maximum unhappiness of the maximum number.

The princely order has by and large kept out of the dusty arena of Indian politics. This is true despite the fact that quite a few of them have political sagacity and mental equipment and calibre that can be pitched against those of many proved public men of India. They kept out of the limelight for a decade. Only in the General Election of 1962 did they step on in a small way into the chessboard of Indian public life. One would have thought that after all the criticisms in which we indulged about ruling princes' frequent trips to and long stays in foreign countries in past decades, we should encourage them to take a lively interest in domestic affairs and make them feel they have citizenly duties to discharge, instead of continuing to lead isolated lives, as it were, in gilded inanition.

Their participation in the General Election of 1967 was largely the result of their partaking in the feeling of general discontent with the drift of economic, political, and foreign affairs, to which the adult vote of India has since so powerfully testified. Moreover, you cannot indefinitely bottle up talent and public spirit where such exist. The fact that a community of ex-princes receive privy purses cannot insulate them from a desire to participate in public affairs. The 1967 Election, in so far as some of the ex-ruling chiefs or their successors were concerned, was a triumph of the human spirit over frustrating inaction. Thoreau said in one of his memorable essays "To be born heir to a fortune is not to be born, but to be still born"—which is an acrimonious way of saying that inheritance of an estate is irrelevant to the irrepressible personal urges of the human spirit. In the background of India's affairs, it would

be an economic and cultural waste to tell the princely order that politics is "out of bounds" for them (merely because they receive privy purses) for reasons which are strictly historical and not personal.

Negative Attitude

We have over the years developed, rather unconsciously perhaps, negative attitudes on many matters. This is perhaps one reason why we are so reluctant to discuss urgent bread-and-butter problems of production, mitigation of inflation, improved employment avenues, quicker industrialisation and import substitution—and instead have been looking for occasional tall poppies to prune and whipping boys that will receive the lashes. This runaway move to abolish privy purses is the outcome of this ominous psychology. Is it not time that all those who do not want development halted, all those who wish India to keep some pace with other developing countries, speak out against this unconstructive spirit that has taken hold of so many of our public men ?

To take away the privy purses and save the Exchequer 0.13 per cent of its outgoing is one way of creating 600 odd outposts of avoidable rancour and bitterness in the country, and this is independent of the ethical issues involved. It is not too late to review the psychological, moral and physical consequences of an action that saves for the Exchequer just a handful of silver.

Courtesy: The Hindu, Madras
July 19, 1967

Princes Smile As MPs Revile "This Privileged Class"

By S. Swaminathan

The Congress Government in this country has a record of broken promises and assurances and misleading statements. For party men are quite disgusted and the state of the twenty-year Congress Rule has been aptly described by Shri S.K. Patil: "All is not well with the country. For one-tenth of what is happening in India, in other countries there were revolutions. The Indian people are patient, but there is a limit to their patience. The people are understanding things."

The severe blow sought to be delivered on the ex-rulers, the vacillation and reluctance in implementing the Nehru pledge of incorporating English as the Associate Language of the Union and the continuance of emergency are only a few of the many instances of breach of faith committed by the Government.

The abolition of the privy purses is sure to cause harm to the principles adhered to by the Congress from the days of Mahatma Gandhi and Sardar Patel. Shri S.K. Patil has testified to the fact that the A.I.C.C. itself passed the resolution by a snap vote—17 voting for the resolution in a house of without quorum. The total membership of the A.I.C.C. is 600 and only half of this number attended the meeting.

In order to lend a democratic colour to this decision, the subject was brought before the Lok Sabha for discussion. The S.S.P. and P.S.P. Opposition were encouraged to take the initiative and the most loyal and obedient Congressmen were put up to support.

Shri C.C. Desai of the Swatantra Party, who had close association with Sardar Patel turned to the Treasury Benches and asked: "If the Sardar were alive today would any single person in that crowd have dared to talk about the abolition of the privy purses?" He profusely quoted extracts from the utterances of the Sardar who made the point that the Maharaja of Gwalior alone had made over to the Union large

sums of money yielding enough to cover a major portion of the total privy purses of the rulers.

Shri Desai, who was forthright in his attack on the Congress said in clear terms: "It is very well for you to say, now that they have surrendered their states and they are under your clutches, that you can put the strings round their neck."

Shri Frank Anthony followed this up, accusing the Congress of indulging in "cheap demagoguery". He particularly emphasised Sardar Patel's regard for truth. "I have given my word to these rulers. What we are getting is incalculable in terms of territory and in terms of assets," the Sardar had repeatedly stated. This would mean that this great leader had already set his face against any move to deprive the princes of the privy purses.

Chavan's Bid

Home Minister Yashwantrao Chavan however is not going to care for the views of the architect of the integration of the country. He could not put much weight to words uttered two decades ago in a particular context. He categorically stated in the Lok Sabha that the "anachronism" of special privileges and privy purses of the ex-rulers must end.

It is freely stated that Shri Chavan is today bent upon building up his political strength and consolidating his position in the country by reducing the status of ex-rulers to that of an ordinary citizen of the land. This is the way, he obviously believes, to get himself in the hearts and minds of the rank and file of the people both inside and outside the Congress.

It is now an open secret that Shri Chavan was the soul and the spirit behind the A.I.C.C. resolution and his 'Chela', Shri Mohan Dharia, was pushed to the front to get it passed at the last minute. The supporters of the Home Minister too do not hide their feelings. One of them said that the abolition of the privy purses would add one more feather to the "cap of Shri Chavan".

In this context, the description of the A.I.C.C. resolution by Shri S.K. Patil as "stark madness" and "insanity" is considered significant. That there is an open rift on this issue in the higher echelons of the ruling party is quite evident. Deputy Prime Minister, Shri Morarji Desai, himself called it "a breach of faith". But he, as a disciplined Congressman, was bound by "the mandate" of the party.

Can a resolution adopted by 17 members of the 600 member-body be regarded as a "mandate"?

It is for Shri Desai to ponder over. It is, however, believed that at the Cabinet level, the Deputy Prime Minister may try to influence at least some of his colleagues to see reason.

The drawers of privy purses on their part appear to be unperturbed. When the Lok Sabha discussed this issue and when so much passion and excitement were exhibited on both sides of the House, about 15 members of Parliament who belong to the princely order and who were seated in the Congress as well as Opposition benches were passive observers. Some of them were seen smiling, while scorns were poured on this privileged class of men. They did not participate in the debate and their dignified behaviour was noted with interest.

Language Tussle

The language issue is putting the Indira Cabinet in the dock. Although the Prime Minister had made up her mind to introduce the Official Languages Bill in the current session of Parliament providing for the incorporation of Nehru's assurances to the non-Hindi people, her hands are now stayed back by the lovers of Hindi.

Deputy Prime Minister Morarji Desai, too, is not very enthusiastic about the speedy passing of this measure. At an in-camera meeting of the Executive of the Congress Parliamentary Party, he resented the use of the phrase "Hindi fanatics" by the Secretary, Shri P. Venkatasubbiah, and hurled the charge of "English fanatics" against him and his friends.

Seth Govind Das and a few other Congressmen had given an ultimatum that they would not hesitate to vote against the Bill if it was intro-

duced in the Parliament. Smt. Gandhi must gather courage to get this legislation passed quickly at least to vindicate the pledge of her illustrious father to the non-Hindi speaking States.

Nobody in the world will take the Government of this country seriously if the plighted words of the mighty leaders of the nation, who brought us freedom are not held sacrosanct by their followers. Already, Mahatma Gandhi had been slighted by the gradual withdrawal of prohibition in the country. Sardar Patel had been ignored by the move to take away the privy purses of the princes. Now, the promises of Shri Jawaharlal Nehru himself are being thrown to the winds.

If this is the fate of the writ of the accredited leaders of the country, what would be the value of the decisions of the men now holding the reins of administration?

The announcement of the Home Minister earlier this year that the proclamation of emergency would be withdrawn on July 1 and its subsequent extension beyond this date had caused annoyance to the people. And more recently, the Opposition leaders made an unassailable case that the Government, during the past five years, had been misleading the Parliament and withholding the information that the Latitilla-Dumabari region had been under Pakistani occupation since November 1962.

Lost Land

The late Prime Minister Nehru and the former Defence Minister, Shri Chavan, had been telling the House that this was a "disputed area" and last week Foreign Minister, Shri M.C. Chagla, had to admit that Pakistan had gained control from November 1962 on the whole of Latitilla area, part of Dumabari, Borputna and Kharkhana Putni villages.

He concluded: "There is no question of any dispute. Our contention is that all these five villages belong to us." Nobody attached any value to the "assurance" of the Foreign Minister that "we will not give Pakistan or yield to Pakistan even an inch of land that belongs to this country."

As one senior member put it: "You (the Government) have

permitted *de facto* control of this territory by Pakistan and its *de jure* control will follow."

The dynamic and practical-minded politician and statesman, Shri S.K. Patil had all these in mind when he said: "The Indian people are patient and in other countries there were revolutions for a little of what is happening in this country."

All thinking men both inside and outside the Congress appear convinced that India is fast "ripening for a revolution."

Courtesy: The Free Press Journal, Bombay
July 19, 1967

Chavan's Fallacies and Follies

By Sputnik

The recent debate in the Lok Sabha on the question of the abolition of the privileges and the privy purses of the ex-princes was characterised by the rare spectacle of both sides of the House joining forces to press for the abolition. There were a few notable exceptions, but their voices of protest were almost drowned in the general "chorus of hate". Mr. Chavan's speech unmistakeably indicating his pro-abolition views, obviously appealed to the majority of the members, and has been hailed in some quarters as a "historic performance".

To many thoughtful people, however who are not carried away by the passions of the moment or by doctrinaire socialistic ideas, it was historic only in the sense that a leading member of the Government seemed to accept the thesis that the "dynamics of politics" must prevail over solemn pledges given by, and formal covenants entered into, by the Government. This sort of "omnibus" statement naturally delights the gallery, and appeals to the leftist elements; but those who regard moral values and the primary duty to keep one's word as supreme virtues which must prevail over all other considerations, must be getting somewhat perturbed at the present trend of things.

It is not according to them, a matter of political expediency or desirability, or the removal of a so-called anachronism, but a vital matter of public conscience and the fair name of the Government; it is, in fact, matter affecting our national honour and character. At the risk of arousing a loud horse-laugh among professional politicians, I must range myself, in this matter, alongside of those who would put the issue above current or abstract politics, and regard it simply as a question of keeping one's plighted word.

An Anachronism

To my mind, Mr. Chavan's performance in this context fell much below his usual high level throughout the current session of Parliament. His speech was full of fallacies, despite its facade of universal truth. He began in the strain of "But Brutus is an honourable man", by saying there was no question of sitting in judgement on the princes in regard to their patriotism, adding as a footnote that "as a freedom fighter, he remembered that in 1942 many princes had sheltered Congressmen and given them protection (he did not of course pause to speculate whether they were rueing that kindness now). He also repudiated the "insinuation" (others may use a different word) that it (viz. the present crusade) was a matter of political vendetta. He joined the tributes paid to Sardar Patel, "who had done the greatest service to the country" (notice the "Brutus" touch again); but "Did they want the country to sit immobile ? Should it remain as it was in 1947 or 1950 ? History had to move further and further".

On the issue of sovereignty, he said that "the question of sovereignty was not an abstract legal concept to be handed about in a court of law, but a dynamic concept, a political reality based on the will of 500 million people". The whole tenor of his speech was that these privy purses were an anachronism, that the will of 50 crores of people must prevail over every other consideration, and that the special privileges must go.

That is, of course, the successful politician's way of looking at the matter, it sounds like the clarion call of democracy to demolish all out-moded distinctions of class or privilege. The only trouble was,

it wholly evaded the fundamental issue of a unilateral attempt to repudiate solemn agreements and treaties. The fact that you find a contract or a treaty is proving inconvenient to you, or going against the current trends of political thought does not give you the right to break it, merely because you have the power. That would be a negation of the rule of law and of good conscience, and would be a reflection of the law of the jungle in the human sphere.

How does such conduct differ in principle or in logic from the act of an invader seizing a country, or a freebooter appropriating another's property, simply because he is powerful and the other is weak ? No amount of legal or other casuistry can get round this point. It is on the sanctity of contracts and agreements that all personal and international relations depend ? Once this goes, all civilized human intercourse will disappear.

Yet, it is this very thing that the anti-privy-purse crusaders want to effect by sheer force of the majority they are enjoying for the moment. In their eyes, apparently, all agreements however solemnly entered into, can be torn up as scraps of paper, once "the 500 million" so desire. This would be the rule of the mob, not of civilization. Incidentally, are all the "50 crores" united on this issue ? The Congress with its defeat in half the States and its small majority at the Centre cannot surely claim the suffrage of even half this number ?

The argument that the Supreme Court unanimously decided some years ago that the clause in the Constitution guaranteeing the rights of the princes was not justiciable, is scarcely relevant. It is not the justiciability, or the sovereignty of Parliament under the Constitution, that is in question : what is at issue is a matter of fundamental honesty and truth. Nor does the statement that the privy purses are an anachronism carry any weight. If they were necessary for the benefit of India's speedy integration scarcely twenty years ago, they cannot all of a sudden become "anachronisms".

Sardar Patel, to whom all speakers paid lip homage during the debate, has not all at once become an ancient and pre-historic figure; his memory is still a living force, and his considered actions must still

weigh deeply with us. It is absurd to suggest that he entered into these covenants with the princes "under duress". This great "discovery" has suddenly been made by the neo-crusaders after the lapse of two decades. So long as the Sardar was alive he never sought the ignoble way of repudiating his agreements by this novel plea. There should be a limit to human credulity.

I would again reiterate, though I may be running against a strong contrary political current, that this is not the way to decide important matter of high policy, especially those affecting obligations under treaties. Nobody wants the country to stand still, though to hear some of the "dynamic history" exponents, one would imagine that 1967 is more than a millenium after 1947 or 1950. Even if it is politically and socially expedient to terminate these special privileges, there is a right way and a wrong way of bringing this about.

Two Ways

The right way is to call the ex-princes together, put the issue before them, and get their acceptance of the greatest possible measures of agreements. Surely, the ex-princes are not fools or persons blind to the current political atmosphere; their surprising reasonableness vis-a-vis Sardar Patel must in a large measure be still alive; and they can be depended on to take a realistic view of things.

The wrong way, on the other hand, is to brandish the big stick, adopt the attitude of a bully, and threaten unilateral repudiation by brute political majority, whatever be the law of the matter. This, in my opinion, would be disastrous to our reputation, internally and abroad, nobody really likes governments or political parties to deviate from the path of decency. It will also be a negation of democracy in the real sense, and virtually amount to the rule of the mob. I am sure Mr. Chavan himself, on second thoughts, will realise the force of what I am urging.

I am not holding any brief for the ex-princes; they are quite capable of taking care of themselves, if the law of the jungle does not prevail. I am only pointing out the dangers ahead if "direct action", as desired by the crusaders, is resorted to. One inevitable result will be

that, to many people, the allegation that the whole flare-up is a political vendetta, will begin to appear plausible. They will ask, "Why should this agitation spring up all of a sudden after many ex-princes had entered politics, some of them representing parties opposed to the Congress ?" It will be difficult to brush this allegation aside as a mere insinuation.

The Privileged

A local newspaper has asked M.Ps to take stock of their own allowances, privileges and "fringe benefits," which mount to a "tidy sum" and remember the well-known injunction to the physician to heal himself before he sets about curing others. I feel that a little self-examination as suggested might restore a healthy sense of proportion in this vexed matter. Many M.Ps are doubtless fully "earning" their privileges. Many ex-princes, too are decent and worthy members of society, who are entitled to retain at least a share of their compensation for their willing co-operation during the struggle to create a homogeneous nation. The public have a right to expect that the same standards of justice will be used in dealing with the privileges of all classes of the Community, whether they are princes or politicians or public servants; one set of privileges cannot be summarily expropriated, unilaterally, by those in enjoyment of another.

By a strange coincidence, I have just now read in an American magazine an account of an ex-judge of Hitler's People's Court being brought to trial for "levying unjustifiably death sentences" during the Nazi regime. He has professed, like most of his ilk, to have merely upheld the laws, however inhuman; and that the Nazi laws called upon the courts "not to act as men of justice whose eyes are masked. The court must view the idea and purposes of state leadership as primary, and the fate of human beings as secondary". The plea was rejected and the ex-judge was sent to jail for five years.

It was disturbing to see how closely ideas and even languages tended to coincide in the Nazi concept of a court's functions, and our ruling party's insistence on the over-riding power of the "will of 50 crores of people" against principles of natural justice. Extremes are often said to meet; they certainly do so in higher mathematics; but I have

rarely seen so close a proof of this dictum in current politics as in these two examples. Do we also, while professing democracy, act like a dictatorship ?

I still hope that better sense will prevail that the passions of the moment will subside and that we will not create a precedent full of dangerous implications. The course of persuasion, negotiation and compromise is the right one—not the display of the big stick.

Courtesy: The Economic Times
July 24, 67

Princes' Privy Purses

By the Rani of Aundh

When the Union Government signed the Merger Agreement in 1947 with the princes, also included were the rulers of Kashmir and Kutch. Each prince signed an individual agreement with the Government and in return for peacefully handing over the State together with cash balances in the Treasury, the Union Government guaranteed privy purses in perpetuity, together with certain rights and privileges.

This was a reciprocal agreement, mutually binding on both the parties. If these agreements are now unilaterally violated by the Government, one would imagine that this violation will also operate in regard to Merger Agreements with the princely States of Kashmir and Kutch, both on the sensitive border areas.

The Union Government has a claim, based on the Instruments of Accession signed by the rulers of Kashmir and Kutch, before the International Court at The Hague. Are the agreements with the princes to be broken in some cases and not in others ?

Breach

How can the Government even contemplate such a flagrant

breach of its written pledge, through constitutional amendments, by terminating payments of privy purses (which cannot be questioned by Parliament, being guaranteed as they are by Article 291 and are charge on the Consolidated Fund of India). Does the Congress Working Committee propose to be partial and discriminating in its relations with different erstwhile princely States ? If the Government takes its pledges so lightly, what guarantee have the foreign Governments that India will honour her international commitments where relationships depend largely on goodwill, good faith and the prestige of the written word ?

Before merger, the princely States were autonomous units, some with their own State forces. The agreements arrived at by the Government with each ruler, were covenants, made with independent heads of States. The princes ceded their territories, administration and cash balances to the Government in the larger interests of the country. This was to avoid fragmentation and to enable the Union Government, without dealy to consolidate its fragile grip over a very complex situation with floods of refugees pouring in from Pakistan. Considerable reorganisation was necessary for a successful take-off.

In many cases, the merger was against the people's wishes (of Indian States) because they often had had a purer form of democracy, a more efficient administrative set-up than existed in British India. Many of these States were held by the then Congress leaders as models of democratic administration.

Propaganda

These were the very same leaders of the Congress Party whose names form the sole foundation and basis for whatever popularity the Party still enjoys—Mahatma Gandhi, Sardar Patel, Jawaharlal Nehru—whose principles and tenets are advocated today in party propaganda. It is their memory and achievement alone which have kept the party from total disintegration. They were the leaders responsible for guaranteeing the perpetuity of privileges and privy purses to princes, in return for all what they had sacrificed.

Could one ever imagine that these leaders would go back on their

commitments or violate the sanctity of the written word ? Would they have allowed their party bosses to question the sanctity of a pledge ? Or are these party members, now agitating to terminate the privy purses, insinuating that Sardar Patel and Jawaharlal Nehru were unaware at the time of the significance of these commitments and entered into the agreements irresponsibly, for mere expediency ? It is tantamount to accusing them of exploitation and malpractice.

The Congress pattern, which once moved everybody to admiration, will now with this contemplated breach of faith directly discredit and publicly dishonour its achievements, a memory cherished by every Indian.

The Union Government has given pensions to people who fought for independence. During that very movement, many princes sheltered and assisted Congress workers who had a price on their heads, facing threats and intimidation from the British raj of their being dispossessed of their States.

It is taken for granted by red-hot agitators, who have never visited a princely family, that princes have no dependents, no responsibilities. They will be surprised to note that people in the erstwhile States still regard their ex-rulers with love and affection, as religious and temporal heads. Pensions to many old servants are paid by princes out of their personal emoluments.

Should all these retainers be thrown out of princely establishments to add to the increasing number of destitutes already living on the roadsides of Delhi, Bombay, Calcutta and other big cities ? The standard of living has not risen since independence rather, there has been a leveling down to the lowest possible common denominator of human existence. The disparity between the power and privileges enjoyed by those who are in power and the helplessness, suffering and poverty, the lot of the common man, still are such as never existed in the worst days of feudalism.

If the Union Government, instead of excluding the princes, had utilised their talent and experience in politics, administration, foreign

affairs, and if their co-operation had been deliberately sought the princes would themselves have come forward to help the Union Government emancipate and transform India—from illiteracy, fragmentation, poverty, into a true welfare State. Instead, they were treated as outcasts and suspect by the same advocates of democracy who fail to realise that in a democracy people should not only have equal opportunity but that no class should be victimised, whatever its social status.

Even at this late stage, the Congress Working Committee should rather concentrate on measures to solve the country's economic sickness and adopt a practical and sensitive foreign policy; above all, prepare and implement a programme to co-ordinate industrial and agricultural development based on modest, short-phased plans, together with a determined effort to weed out the undesirables who bring disrepute to the Party. The younger professional and intellectual people might then find some incentive to accept any sort of involvement.

Ideologies and slogans are luxuries we can ill afford with a sacrifice of good faith and sanctity of the pledged word. The small sum charged on the Consolidated Fund towards payment of privy purses is just "one drop of sherry in this intolerable deal of sack". The loss in revenue through prohibition, the machinery to implement it, and other such anomalous expenditure is too well known to repeat. So often advocated by those who cry their loudest for 'austerity,' 'Socialist pattern', other well-worn phrases that are meaningless unless they be practised by those that propagate them.

Assurance

To repeat what Nandan Kagal said in the *'Indian Express'*, June 29, 1967 : "Even in the relatively sordid world of commerce, contractual obligations cannot be treated so lightly. The law of the land sees to that. At the very least, the covenants entered into by the Government of an independent India should be worth as much as a commercial contract...." "privileges are compensation for the Government of India's acquisition of certain property rights and powers...."

"When the covenants were negotiated, it was agreed that their provisions would not be justiciable. This amounted to an assurance

to the princes that the covenants were sacrosanct and in a real sense beyond the law. The moral obligation for not making a unilateral change in the covenants is therefore all the greater...."

Those who glibly advocate the violation of a contractual obligation by Government, should ponder whether this is not the first step towards a situation where morality and justice cease to be and fundamental rights are no longer sacrosanct !

Courtesy: The Indian Express, Bombay
July 28, 1967

The Path of Honour as well as Wisdom

By K. Santhanam

It has been reported that the Law Department of the Government of India has examined the constitutional and legal aspects of the abolition of the privy purses and the personal rights, privileges and dignities of the former Rulers of Indian States and found no difficulty in suggesting appropriate legal steps. The main issue in relation to these matters is not the constitutional or legal aspects but that of national honour and integrity. Before I proceed to develop this aspect it may be useful to point out that the constitutional and legal questions involved are not as simple as many may think.

Art. 291 provides that the payment of any sums, free of tax, which has been guaranteed or assured to any Ruler of an Indian State shall be charged and paid out of the Consolidated Fund of India and the sums so paid to any Ruler shall be exempt from all taxes on income. Art. 112 (3) gives a list of items of expenditure charged on the Consolidated Fund of India and item (g) says "any other expenditure declared by this Constitution or by Parliament by law to be so charged." By Art. 113 such charged expenditure is not to be submitted to the vote of Parliament. There is no provision in the Constitution by which the charge created in

respect of any of the charged items could be annulled except by annulling the item itself. It is also a point to be considered whether the repeal of Art. 291 will automatically extinguish the charge which has been made by the Constitution itself. There is no provision for any retrospective application of any amendment.

Art. 362 enjoins upon Parliament and the State Legislatures to have due regard to the personal rights, privileges and dignities of the former Rulers of different States as provided by covenant or agreement. This article will presumably have to be deleted.

Assuming that Arts. 291 and 362 are deleted, it is wrong to imagine that the covenants and agreements with the former Rulers will cease to exist. Only the constitutional guarantees will cease but they will become obligations under the ordinary law of contract. Therefore, Parliament will have to enact a positive law making the covenants and agreements wholly or partly void. As they contain not only the obligations of the Government of India to pay privy purses and observe certain rights and privileges but also the obligations of the Princes to surrender their sovereignty, some of their palaces, lands and other property and other privileges which they had when they signed the covenant, any legislation which nullifies only the obligations of the Government of India but preserves the obligations of the Princes will be so iniquitous that it will shock the conscience of all reasonable persons.

As I have said at the beginning, the major issue is one of national honour and integrity. In 1946, when the Cabinet Mission declared that Paramountcy had been given up by the British Government and the Princes became sovereign in their own States, Indian leaders were greatly upset. There were groups of Princes who wanted to exploit the declaration of the Cabinet Mission, assert their independence and enter into treaties among themselves, with the UK and even with Pakistan, but the vast majority of the Indian Princes were patriotic and far-sighted and they responded to the appeal of Sardar Patel to merge their States with India and surrender their sovereignty and as consideration for such patriotic renunciation, they were assured of certain payments and privileges. The covenants were signed by Sardar Patel with the full ap-

proval of Prime Minister Nehru and his Cabinet and later solemnly guaranteed by the Constituent Assembly by the insertion of articles in the Constitution.

After 20 years, it is easy to argue that these Princes did not deserve their privy purses and privileges and no covenant should have been entered into with them. If such an attitude had been taken by Sardar Patel and Jawaharlal Nehru, there might have been hundreds of centres of active and violent resistance which might have cost hundreds of crores of rupees and prevented the consolidation of the country. Many members of the present Cabinet are aware of the cost and the worry of the single Police Action against Hyderabad. It is difficult for me to imagine that any serious Indian politician can forget these things and seek to repudiate agreements which secured so much for India at the cost of so little.

After all, it is only a question of Rs. 4 1/2 crores a year, which will be automatically diminished with each succession. It is foolish to ask whether these Princes deserve to be maintained in luxury and idleness by taxes derived from the people. Such an argument will apply to all classes who live by unearned incomes. The title to privy purses is certainly more honourable than income derived from property accumulated through evasion of taxes or black market operations.

The sanctity of the pledged word is the greatest asset of an individual or a nation. It may be recalled that in 1947 when India and Pakistan were fighting over Kashmir, Gandhiji fasted against the decision of the Government of India to suspend Payment of Rs. 55 crores to Pakistan in accordance with the partition agreements. Gandhiji argued that it was not honourable to break the word even to an enemy. It was only when the Government of India paid the amount to Pakistan that he broke his fast. That many of those who even now do not hesitate to use his name to court popularity with the people should think of repudiating Sardar Patel, Jawaharlal Nehru and the Constituent Assembly indicates the moral deterioration that has taken place in recent years.

The practical consequences of repudiating the privy purses are

likely to be no less disastrous. How can we expect foreign governments and investors to believe that the present Government or its successors will not repudiate their loans and investments after this demonstration of reckless disregard of the undertakings of their predecessors? Thus, our national honour and integrity will become corroded with suspicion. Communists and crypto-communists will lose no time in pointing out that the repudiation of foreign loans and even internal loans, which are largely owed to the richer classes of India, will have even greater justification than the abolition of privy purses.

There is a rumour going about that having allowed themselves to be placed in a false position, the leaders of the Government of India are trying to find a way of escape by declaring that those who receive the privy purses hold an office of profit and should therefore be disqualified for standing as candidates for Parliament or a State Legislature. On analogy, all pensioners would have to be treated likewise. Also such a proceeding will be futile if the intention is to prevent the former Princes from participating in politics. It will be open to them to put up their wives, brothers and relations as candidates and wield even greater power from behind the scenes.

The Indian Princes are already getting absorbed in the Indian people and many of them are trying to find new careers in business, industry, trade, Government service and other occupations like ordinary citizens. To drive them to combine on the basis of a just grievance is altogether foolish. If all the Princes get disaffected, the smaller ones among them in Saurashtra, Rajasthan and Madhya Pradesh can become a severe headache to the Governments of those States and therefore to the Government of India also.

Thus the path of honour as well as wisdom lead to the same conclusion. Let us abide by the covenants and the Constitution.

Courtesy: Swarajya, Madras
July 29, 1967

Sanctity of Privy Purses

By D. M. Buch, I.A.S. (Retired)

The All India Congress Committee is reported to have passed a resolution to abolish the privy purses of rulers, and to examine how the Constitution can be amended for that purpose.

Apart from the question whether and how this can be done legally, it would not be improper to have a look back at the circumstances in which the Congress Government decided to enter into solemn covenants with the Indian princes, to give them privy purses in perpetuity in lieu of their agreeing to part with their properties and power to the Union of India.

The Butler Committee appointed in 1927, accepting the suggestion of the Rulers' Counsel, Sir Leslie Scott, felt obliged to "record our strong opinion that, in view of the historical nature of the relationship between the paramount power and the princes, the latter should not be transferred without their agreement to a relationship with a new Government in British India, responsible to an Indian Legislature". Sir Stafford Cripps, who held consultations in 1942 with the Indian political parties, substantially accepted this position. The Cabinet Mission which ultimately decided to relinquish all power and issued their 'Memorandum of 12th May', also expressed the view that on the formation of an independent Government in India, the political agreements between the States on the one side, and the British Crown and British India on the other, would be brought to an end and the void will have to be filled by the States by entering into federal relations with the successor Government, or by entering into political arrangements.

Bargaining

On account of this historical relationship between the rulers and the British Crown, many States cherished the view that on the lapse of paramountcy they would be independent, some entertained the hope that

they would form confederations and enter into federal relations with Indian India. The subjects of the States were restive and the situation was fast deteriorating into one of chaos. Mr. V.P. Menon describes it as under in his *Story of Integration of Indian States*.

“The general tendency among the rulers was to make the best of the bargaining position in which the lapse of paramountcy placed them. The fact that during the Second World War many of the major States had strengthened their armed forces, could not be ignored. The decision, therefore, that, with the withdrawal of the British the Indian States, comprising two-fifths of the land, must return to a state of complete political isolation was fraught with the gravest danger to the integrity of the country. And so the prophets of gloom predicted that the ship of Indian freedom would flounder on the rock of the States.”

This was the position in June 1947. The prevention of Balkanization of India was the supreme task of the moment. It was decided to create at once a States Department in charge of Sardar Vallabhbhai Patel and on assuming charge on June 27, 1946, the Sardar issued a statement appealing for the rulers' co-operation.

He said, “We are at a momentous stage in the history of India. By common endeavour we can raise the country to a new greatness while lack of unity will expose us to fresh calamities. I hope the Indian States will bear in mind that the alternative to co-operation in the general interest is anarchy and chaos which will overwhelm great and small, in a common ruin, if we are unable to act together in the minimum of common tasks”. It may be noticed that Sardar Patel deliberately used the words “we,” “common endeavour” and “common ruin”. The position was that India would be involved in “common ruin” if the princes were not squared. It was, therefore, that the States Ministry appealed to the rulers initially to accede at least for three subjects viz. defence, external affairs and communications.

Accession

On July 25, 1947 Lord Mountbatten held a rulers' conference and

advised them to accede to the appropriate Dominion for the three aforesaid subjects. The next few days witnessed intense efforts of the States Ministry and the Viceroy to ensure accession. Some of the States were openly opposed to and ignore the appeal for accession and tried to accede to Pakistan, if certain conditions were not accepted. The Maharaja of Jodhpur had a series of meetings with Jinnah; Bhopal, Indore and others also raised objections; but by August 15, all the States were persuaded to accede, fill the gap created by the lapse of paramountcy. This prevented chaos and anarchy which would have been the inevitable result.

This was achieved "due to the masterly handling of rulers by the Sardar, the infectious charm and inborn tact of Lord Mountbatten" and, in no small measure, to the willing and patriotic co-operation of the rulers. Mr. Menon makes a special mention of the Rulers of Gwalior, Bikaner, Patiala and the Jamsaheb of Nawanganar. In the words of the Sardar himself, the rulers might well claim to be "co-architects of a free and united India".

The accession agreements and standstill agreements, however, were not the end of the matter. Before the problem could be finally solved, there were clouds on the horizon. "Firstly" says Menon, "we had to tackle the situation in Kathiawar, created by the action of the Nawab of Junagadh in acceding to Pakistan. Then, there was the two-way exodus of refugees, which threatened to engulf both the Dominions in one big calamity. Then followed the tribal invasion of Kashmir. Lastly, the situation in South India, resulting from the non-accession of Hyderabad, was causing no little anxiety."

Unification

The Ministry of States had to achieve the unification of Princely and British India in the midst of such a situation. The States were assured that no further encroachment on their powers was intended after the accession on three subjects—defence, external affairs and communications. But it was not possible to stem the tide of progress, nor was it possible to achieve unity without the willing consent of the rulers.

By superb tact and strategy, the Orissa and Chhatisgarh States could be persuaded to accept merger with Orissa. The one important problem relating to the merger was the necessity of fixing a *quid pro quo* for the rulers parting with their rights. "We considered", says Menon, "that, in equity, these rulers should be given allowances for their maintenance, that such allowances should not be terminated with the present rulers, but should be continued to their successors." Certain private properties were also conceded and guarantee was given regarding the privileges of the ruler and his immediate family. Succession was also guaranteed.

* * *

Sardar Patel gave a public assurance that "the agreements which the rulers were signing embodied a guarantee given by the Government of India and that the intention was to incorporate it in the new Constitution."

It may be difficult to visualise, after a lapse of 20 years, that the rulers acted as they did because of the solemn pledge given by the Sardar and the Cabinet about the perpetual sanctity of the agreements. It is equally difficult to visualise the wrench the rulers experienced when they decided to abandon rights and powers in order to co-operate in the task of achieving the unity of India. Mr. Menon calls this "the poignant spectacle of the rulers parting with their proud heritage." If they had chosen to resist, the consequences for them might have been bad, but they would have been worse for the freedom of India.

The Ministry of States, under the Sardar's bold and generous lead, handled the rulers, group by group, with the able assistance of Mr. Menon and the Regional Commissioners and in some cases had to make *ad hoc* settlements of privy purses, as in the case of Saurashtra which contained a bunch of intelligent and sensitive rulers. Lord Mountbatten's letter to Mr. Menon on this occasion is characteristic—"I have read with the greatest interest your note on the unification of Kathiawar. I am lost in admiration of the masterly way in which you handled this matter."

Those who were in the political field in those days, both in the Congress and the State camps, can hardly forget the hurdles which had to be negotiated in each area and with each important ruler before a merger or union was accepted.

Unfair

Was the price paid for this unique achievement too great ? Even if it was, is it permissible, legally and ethically, to denounce these agreements merely because the rulers are now not in a position to enforce a *status quo ante* ? Is it fair to raise this weapon against the princes because some of them have chosen to contest elections on the Opposition or independent tickets ? These questions must be considered by those who now wish to abolish their privy purses. The ruling party may succeed in amending the Constitution, if an amendment on these agreements is permissible, but will this be considered wise, just and fair ?

The facts may be restated. Even after accession for defence, external affairs and communication, the rulers retained their internal autonomy. "As late as February 1947," says Mr. Menon, "Nehru had assured the Negotiating Committee of the Chamber of Princes that neither the monarchical form of Government, nor the integrity of the States would be touched." In spite of this and the Sardar's categorical assurance, the States Ministry embarked on a policy of integration. The alternative was to allow confusion and turmoil in the ruler's territories, a situation which anti-social elements were sure to exploit. Privy purses to the rulers had, therefore, to be agreed to as a *quid pro quo* for the surrender of their powers and the dissolution of their States.

This price was not heavy. In those cases where a higher privy purse was deliberately agreed to, as in the case of Gwalior (20 lakhs), Patiala (17 lakhs), Baroda (26.5 lakhs), Jaipur (19 lakhs), Jodhpur (17.5 lakhs), Bikaner (17 lakhs), Travancore (18 lakhs), Bhopal (11 lakhs), Mysore (26 lakhs) and Hyderabad (50 lakhs), a reduction has been effected on the death of the first recipient.

Before integration, the rulers were estimated to be taking about 20 crores of rupees for personal expenditure. The total of the Privy

purses settled by the States Ministry originally came to Rs. 5.80 crores only. It may be only Rs. 5 crores now. That the settlement of privy purses was not considered excessive, is proved by the fact that "neither in Oct. 1949 when the provisions in the Constitution relating to the States were being discussed in the Constituent Assembly, nor in March 1950, when a full and comprehensive White Paper on the States with full details of the privy purses was placed before Parliament, was there any criticism whatever, either as regards the principles on, or the rate at which the privy purses were fixed." On the contrary, the Sardar was congratulated for having settled the purses at "almost the minimum".

Mr. Menon has stated that the price paid for integration can be appreciated if assets and liabilities are viewed in juxtaposition. He says : "We may ignore the consumption of the great ideal of united and integrated India, which has affected the destinies of millions of people; the federal sources of income including the Railway system of about 12,000 miles which the States surrendered to the Centre without any compensation; and the abolition of internal customs as a result of integration, which has greatly benefited trade and commerce in the country. But we should certainly take into account the assets we have received from the States in the shape of immense cash balances and investments amounting to Rs. 77 crores, as well as buildings and palaces. If these are weighed against the total amount of the privy purses, the latter would seem insignificant."

As, undoubtedly, the price paid for integration is insignificant, would it not be extremely unfair to think of the abolition of privy purses ? Even if the price was heavy, would it be honourable to do so ? "As a nation aspiring to give a moral lead to the world, let it not be said of us that we know the "price of everything and the value of nothing".

It is well to remember what Sardar Patel said when recommending to the Constituent Assembly the adoption of Article 291 of the Constitution. "The capacity for mischief and trouble on the part of the rulers, if the settlement with them would not have been reached on a negotiated basis, was far greater than could be imagined at this stage. Let us do justice to them; let us place ourselves in their position

and then assess the value of their sacrifice. The rulers have now discharged their part of the obligations by transferring all ruling powers and by agreeing to the integration of their States. The main part of our obligation, under these agreements, is to ensure that the guarantees given by us in respect of privy purses are fully implemented. Our failure to do so would be a breach of faith and seriously prejudice the stabilisation of the new order."

Opportunism may tolerate such conduct but, as the Sardar said, "facts take their revenge if they are not faced squarely and well." It would be proper, therefore, to view the facts in their true perspective before taking the final decision.

Courtesy: The Indian Express, Madras
Aug. 1, 1967

Princes and Privy Purses

By A. Appadorai

It is reported that the Government of India is examining the legal and constitutional position in respect of the abolition of the privy purses of princes in the wake of the AICC resolution.

To place the problem in its true perspective, some understanding of the background to the integration of Indian States is essential. It is well known that on the transfer of power from Britain to India, paramountcy also lapsed giving the States freedom to be independent or to join India or Pakistan. Sardar Patel's wise handling of the situation brought about a bloodless revolution : "The great ideal of geographic, political and economic unification of India, an ideal which for centuries remained a distant dream and which appeared as remote and as difficult of attainment as ever, even after the advent of Indian independence, was consummated by the policy of integration."

Patel's View

Speaking in the Constituent Assembly, the Sardar said that the settlement of privy purses was in the nature of a consideration for the

surrender by the rulers of all ruling powers, as also for the dissolution of the States as separate units. He added : "The capacity for mischief and trouble on the part of rulers, if the settlement with them would not have been reached on a negotiated basis, was far greater than could be imagined at this stage. Let us do justice to them; let us place ourselves in their position and then assess the value of their sacrifice. The rulers have now discharged their part of the obligation by transferring all ruling powers and by agreeing to the integration of their States. The main part of our obligation under these agreements is to ensure that the guarantees given by us in respect of privy purses are fully implemented. Our failure to do so would be a breach of faith". The Sardar's view was embodied in Article 291 of the Constitution and the sums mentioned in the covenants were made chargeable on the Consolidated Fund of India, exempt from all taxes.

It may be added that the covenants invariably contain the provision that the amount of the privy purse is intended to cover all expenses of the ruler and his family, including expenses incurred on his personal staff, maintenance of residences, marriages, and other ceremonies. They will neither be increased *nor reduced for any reason whatsoever*. Some of them contain provisions which would enable the Government of India to reduce the amount for succeeding generations, the ceiling for this being fixed at Rs. 10 lakhs.

The sums given as privy purses range in the original contract from Rs. 50 lakhs to a few hundred rupees, the ceiling for the progeny being fixed at Rs. 10 lakhs. The number of States whose rulers enjoyed a purse of over a lakh of rupees was not large. The total sum disbursed as privy purses in 1966-67 was a little over Rs. 5 crores.

The list of privileges enjoyed by the princes includes the following : Permission of the Government of India is necessary for filing a civil suit against them, and they cannot be arrested on criminal charges, without the Union Government's permission; free medical attendance and treatment in Government hospitals to the rulers and their families; the requisition or acquisition of properties used for residential purposes of the rulers cannot be affected without their consent or without payment of a reasonable compensation; articles intended for the personal

use of several rulers are exempt from customs duty; the excise duty payable on petrol purchased by them is refunded to them; the right to fly their own flags on personal residences, cars and aeroplanes; armed guard at their official residence; permission to possess weapons and purchase ammunition without licences; and protection of their fishing and shooting rights.

Bilateral Documents

The merger agreements and covenants are bilateral documents. Would it, therefore, be legal for one party to unilaterally revoke such a contract ? For a State like India where law is supreme, to break a contract would be illegal. The possibility that, if and when the issue is taken to court the unilateral abolition of privy purses might be declared illegal, cannot be ruled out. It is yet to be seen whether the covenants in question may not be considered as treaties and, therefore, not justiciable.

Constitutionally, the point worth noting is that Articles 291 and 362 may be amended by Parliament in accordance with the procedure prescribed for amending the Constitution. But one question remains : have not the covenants an existence independent of the Constitution, being agreements entered into by the parties before the Constitution took note of them, by making privy purses chargeable on the Consolidated Fund of India as also by making them tax-free ?

Is it not open to princes, it may be asked, to repudiate other parts of the covenant, unilaterally ? This is, perhaps, a theoretical question as the Government of India can be presumed to have power adequate to make the implementation of such repudiation impossible. But, now the moral issue : is it wise for a Government which has entered into a contract with another party to repudiate its part of the contract without adequate consultation with the other party ?

It may no doubt be argued on the other side that in a democratic society with a socialist aim it is immoral to permit a select few to enjoy tax-free privy purses and feudal privileges which are out of tune at a time when millions do not even have the basic minimum. Privileges and

inequalities in a democratic society must be justified by the social purpose they fulfil. This may be the main reason why AICC felt tempted to pass such a resolution.

Pledged Word

While it may be conceded that a party government may feel bound to accept the resolution, yet it is their responsibility to ensure that a pledged word is not broken without mutual negotiations. It is sometimes said that the covenants have no moral basis because princes are parasites. If the Congress leadership had so announced just when it took over power, the people of the States would have thrown them away. This, I suggest, is against historical record.

What is on record is that except in the case of a few States, "the privy purses were fixed after consultation with either the responsible Ministry or the popular leaders of the Union". It is also well known that Jawaharlal Nehru himself wrote to princes with a privy purse of over a lakh, thus beginning the process of negotiation, and (if reports are true) the response was not disheartening. But for some unknown reason the process was not continued.

A Government depends for its strength not only upon the power it wields but also on the confidence people have in its willingness to honour the word. There is no doubt that under the circumstances, the least the Government can do, apart from getting the advisory opinion of the Supreme Court on the legal aspects of the question, is to begin (or continue) a process of negotiating with the princes for a just settlement of the issue. Then over a period of time the privy purses and other privileges, may be voluntarily reduced or surrendered. The time factor is a major consideration for social adjustments, and a negotiated settlement should make changes possible. Let us not forget Gandhiji so easily and so soon.

Courtesy: The Indian Express, New Delhi
Aug. 5, 1967

A Total Backing Out

By C. Rajagopalachari

Very probably the Law Minister in New Delhi is a better Lawyer than I can ever be. But I think he ignores the distinction between action taken by the Union Government in respect of treaties and covenants with rulers who continue to be rulers, and obligations arising out of agreements by which the status of rulers is terminated for a consideration.

The stoppage of payment is not action taken in respect of any matter arising out of any covenant or treaty but a throwing of the undertaking overhead, a total backing out—a simple breach of promise. The principal point is not a legal one but of honour. It is dishonourable for the Government of India to break a promise made to loyal subjects entered in the voters' lists, whatever may be the case in respect of terms entered into with co-existent and theoretically equal governments under treaties.

The sacred duty of Lawyers is to find a remedy for every wrong, to try to make law accord with **dharama**. It is a sign of laziness to close research by a reference to a precedent or law which denies any remedy. I would therefore ask lawyers to read Article 362 and struggle with Article 363 to discover a way out. The wrong sought to be done is definite and grievous and it would be **adharama** to leave the victim without a remedy.

Courtesy Swarajya, Madras
Aug. 5, 1967

Princes and Privy Purses

By N. Balasubramania Iyer

The AICC had issued a directive to the Government of India to bring about the abolition of the allowances and privileges granted to the former rulers of the Indian States. It is well to remember in this connection that the Constituent Assembly represented only "British India", the former princes and people of the Indian States not being represented therein.

The British Government transferred its sovereignty over British India virtually to the Constituent Assembly and did not, and indeed could not, transfer its suzerainty over the Indian States to it. On the transfer of power by the British, each Indian State became fully sovereign. Legally, sovereignty in the Indian States vested only in the princes and not in the people, and our Government accepted this position. In fact, in regard to the accession of Jammu and Kashmir, this is the stand taken by our Government even now in the UN.

When the country contained hundreds of pockets of fully sovereign territories, Sardar Patel's astute statesmanship brought about the merger of them all with the rest of India. He negotiated with the princes, individually and in groups, and appealed to their sense of patriotism, to which they nobly responded and agreed to transfer their sovereignty to the Government of India *subject to the condition* that they and their successors should be paid an allowance fixed by agreement and they should also retain some of their princely privileges. Instruments of Accession were obtained from the princes and under these documents, the sovereignty was transferred to the Government subject to the conditions and terms agreed upon.

These Instruments are the foundation for the sovereignty of the Government of India over the territories of the Indian States and are part of the Constitution in respect of the said territories. If any of the conditions are violated, as a pure question of law, the Instruments

would be invalidated and the *status quo ante* should revive. These Instruments cannot be altered or amended except by mutual consent of the high contracting parties. Neither Parliament nor the Government of India has any power to alter the conditions of Accession unilaterally.

The abolition of the privy purses and the special privileges of the princes cannot be legally undertaken by Parliament or the Government. One may compare the accession of the French Territories in India under agreement with the Government of France subject to the conditions embodied therein. Will our Government dare violate any of the conditions in that agreement unilaterally, without invoking sanctions internationally ? Simply because the princes are powerless to enforce sanctions, the legal position would not be altered in any way. The Government should drop the idea of tinkering with the privy purses and privileges of the princes.

Courtesy: Swarajya, Madras
Aug. 5, 1967

Princes Are Not Parasites But Patriots

By C.C. Desai

Participating in the discussion of Privy Purses of ex-rulers, in Lok Sabha, Shri C. C. Desai said :

I will confine myself to the stewardship of the Home Ministry in relation to States with which subject I am particularly familiar. All this talk about the enunciation and application of the doctrine of lapse and the abolition of the privy purses can be traced to the blood-thirsty bureaucracy which resides in the *sanctum sanctorum* of the Central Secretariat which is known as the Home Ministry. They are advising that the States must lapse on the Rulers dying without a male heir regardless of past history.

I want the Home Minister to remember the history behind this when the States were the Indian States and there was the British Crown. Before 1947, the relationship was between the Indian States and the

British Crown; the relationship was not between the Indian States and the then Government of India. On 15th August, 1947, the paramountcy lapsed and that was not transferred to the Government of India. That position was accepted by Pandit Jawaharlal Nehru, by Sardar Patel and by all the Congress leaders. That is how the instrument of Accession subsequently followed by Merger Agreement was the basis of relationship between the rulers and the Government of India. That relationship is a relationship between the equal partners. Today we are trying to forget or do away with that. My Hon. friend Shri Chandra Jeet Yadav said that the privy purses should be abolished. The Princes have put their neck into the noose; they have transferred their kingdom peacefully to the Indian Union; they have signed the Merger Agreement; they have thus put themselves at the tender mercy of the Government. It is completely immoral and improper to take advantage of that situation. If you only read what Sardar Patel had said, you would realise what great patriotism they have shown. I am sure none of the Congress Members, none of the white capped *chelas* of Gandhi, will differ from this proposition that they, the rulers had made a great sacrifice.

The other day, somebody in the Congress Party, I think, Shrimati Tarkeshwari Sinha, asked as to what is the international implication about abolition of privy purses. The Prime Minister apparently did not spell out the meaning. I would like to spell it out. We have the international forum where we have taken two cases one Kutch and the other is Kashmir. In both these cases, our contention is based upon the Instrument of Accession and Merger Agreement. If the Instruments of Accession and Merger Agreement are treated as scraps of paper, you will have no leg to stand upon. The Kutch case was taken to the International forum through the folly of the then Foreign Minister, Shri Swaran Singh. You are not likely to succeed very much there. Even in regard to Kashmir, the status is derived from the fact that there is the Instrument of Accession and Merger Agreement between the ruler and the Government of India. If you do away with this basic relationship, then you remove the very foundation on which the whole case of India, both in Kutch and in Kashmir, rests.

I would appeal, if I may be permitted to say so, to the young and impatient hotheads of the Congress Party, for whose zeal and patriot-

ism I have great admiration, to divert their energies to much better purposes, that is, eradication of corruption, maintenance of law and order, integration of the country as a whole, instead of looking at Rs. 3 crores of privy purses. I feel that this demand is made by them in order to embarrass some of the top Members of the Congress Party.

Some Hon. Members : No. no.

Shri C. C. Desai : Let them fight their quarrels internally; let them have their internal squabbles. Let them not project these jealousies on the national stage. It will injure and damage the image of India in the international sphere, not only in the international market politically but also commercially and economically.

What effect it would have on the World Bank ? Today you are repudiating Merger Agreements and tomorrow you may repudiate international debts and agreements. For what are you doing it ? You are doing it to save Rs. 3 crores only. You can save that amount in other ways. This is what Sardar Patel himself said. I am sure, the members Opposite have much greater regard for Sardar Patel than for any of the other Congress leaders that we have seen in the country. What did Sardar Patel say ? This is what he said :

“The main part of our obligation under these Agreements is to ensure that the guarantees given by us in respect of Privy Purse are fully implemented. Our failure to do so would be a breach of faith and would seriously prejudice the stabilisation of the new order.”

What are these Rs. 3 crores of Privy Purse for ?

One thing more. My Hon. friend, Mr. Dange, referred to the princes as parasites and as traitors. Who are these people to talk about princes as traitors ? These people who are friends of China, which committed aggression on this country and which is still committing aggression on this country, are talking about princes as traitors whereas Sardar Patel has said in this document that the princes had shown a great amount of integrity and patriotism in agreeing to the transfer of power. That is why I am saying that it is completely wrong to say that these princes are traitors or parasites. They have honourably and in accordance with their honesty and patriotism, transferred their States and now

it is upto you to see that those obligations which were undertaken at that time are fully honoured.

One thing more and this is about Sheikh Abdullah. It is not a question of release or no release of Sheikh. What is really required, what is important, is the quality of the presence of Indian in Kashmir. You can rule Kashmir only by the willing consent of the people and be good government. You cannot rule by force or by repression. The rule must be such as to have free and fair general elections and to give complete satisfaction to the people of Kashmir.

Courtesy: The Parliamentary Times, New Delhi
Aug. 7, 1967

Karl Marx Was Wrong

By Nayantra Sahgal

The first thing one becomes aware of when one picks up a journal from Europe or America is that there is a living world across the seas seething with a tumultuous many sided activity.

An undreamed-of prosperity which the prophets of gloom said would put an end to all quest and striving has resulted on these continents in a great torrent of intellectual and scientific endeavour.

Karl Marx was wrong. His was a brilliant and powerful thesis but it was based on the terrible early phases of industrialisation with their exploitation of the workers. He assumed this would be the only form capitalism would ever take. He did not conceive of a society—how would anyone at that time ? —where when the breakthrough came, its benefits would flow to the mass of the people; where that mass, with its individual freedoms preserved and cherished, would have before it huge resources and boundless choice to mould its future in any way it preferred.

Freedom

Today vast numbers of men and women can pay for and choose to opt for a university education. Great new culture centres for music, art and theatre have sprung up, making the common people aware of their heritage and giving them the chance to contribute to it.

Above all, there is an awareness of beauty and the need to make room for it in a way of life. This is Utopia and though it has its problems—a whole new range of emotional ones—they are not the kind that Karl Marx foresaw.

He believed Western society was headed for economic doom. It is not headed for any kind of doom. It is on the move, rethinking everything from Christian principles and how they are applicable to modern living to the meaning of morals in an age that resembles no other in any way.

We may not agree with much that is happening in the West. We may not approve of it. But it is alive, and what lives and thinks in freedom finds its way, albeit through mistakes to reasonable solution.

When the present extreme swing of the pendulum in dress, morals and taste is over as it will have to be, the people of the West will have worked out a philosophy that will help them to contribute with new vigour to the third quarter of the twentieth century.

It would be a mistake to say that we in India are behind the times. We are outside the times. We are simply not part of the main-stream of thought and activity that is now going on elsewhere in the world and certainly not generating any in our own.

We seem to have fallen between two stools. We have neither the compulsions of totalitarian system holding us in harness to our tasks, nor the self-propelling energy of the democratic societies.

What we call socialism has never been defined. Today it is in bad odour. Nobody is happy with what it has been able to accomplish. The Left derides it as weak, colourless and ineffective. The Right condemns it as stamping out whatever initiative exists. Even if both these judg-

ments are partly wrong, it is clear that there is a big gap in the results we hoped to achieve.

Tools

The state of the economy, on which I am no expert, is only one mirror of our stagnation. It needs no expert to see that we have not succeeded in releasing our minds from the immobility of a long past.

Unless we accept the dictates of Marxism—and we do not—there cannot be anything hidebound about today's socialism. There is nothing hidebound about it elsewhere and nearly every country in the world is to some extent a socialist country, even those that are suspicious of the very word, like the United States.

In no country can the public conscience ever again exalt "survival of the fittest". That is an old, outdated concept. It is only in the jungle that only the fittest survive.

In civilised society there must be room for compassion, and help for those who are not the fittest. The acquisitive instinct cannot run wild at the expense of others any more than a nation can be allowed to threaten others with untrammelled might. Everyone is agreed on that. The need for justice and opportunity are recognised the world over. It is the forms employed to achieve these that vary.

The forms are our tools. They should not become our masters. We should take and use the forms that serve us best that help us to get on with the job, and discard the others. The idea is not slavery to a creed but the grasping of every means to build a just and prosperous society.

Privy Purses

The trouble is that justice has become muddled in our thinking with taking from the rich and giving to the poor. That may have been all right in Robin Hood's static unchanging society but today it is an erroneous and perverted justice that creates frustration and fury at one end and sheer inertia at the other.

What it does not create is more wealth, for it does not inject vitality or initiative into the people at any level high, low or in the middle, who must become partners in producing it.

It does not give anyone a stake in anything. It badly shakes confidence. It makes even the moderately well-off person wonder where the axe will fall next and how long he is safe with what he has worked to earn. Above all, it gives one the uncomfortable feeling that it is not policy that dictates such action but a vendetta based on envy : "I don't have it. Why should he ?"

The talk of abolishing privy purses has something of this vendetta in it. Privy purses and even princes may be an anachronism that has no place in the socialist pattern. But it was this same society ardently dedicated to this same goal of socialism that gave its promise to the princes.

Courtesy: Sunday Standard, Delhi
Aug. 13, 1967

India Will Eventually Triumph In Spite of Setbacks

By The Earl Mountbatten of Burma (Admiral of the Fleet)

I have been invited to contribute an article on India on the occasion of the 20th anniversary of the transfer of power by which the country, indeed the whole sub-continent became independent. I am delighted to do so for much of my heart will always be with India.

I would like to trace the history of the British connection briefly to show some of the problems with which I was faced as the last Viceroy. The British connection began more than three hundred years ago in the early part of the seventeenth century. It was not a direct Government connection but the Honourable East-India Company was formed in England to establish trading posts in India, of which the most important was Madras in 1639. Even when a part of India came direct to the British Crown as was the case when Bombay formed part of the dowry of Catherine of Braganza on her marriage to King Charles II in 1662 it was duly transferred six years later to the East-India Company.

The Company was known colloquially as "John Company". It raised its own armies and indeed they had their own navy, and they appointed their own Governors-General. Robert Clive was among the foremost of those who developed India for the Company. Warren Hastings was appointed as first Governor-General of Bengal in 1774 with supervisory powers over the Presidencies of Bombay and Madras. The first Viceroy was Viscount Canning appointed in 1858.

When the Marquis of Hastings was Governor-General of India he wrote in his journal on 17th May 1818 the following :—

"A time not very remote will arrive when England will, on sound principles of policy, wish to relinquish the domination which she has gradually unintentionally assumed over this country (India) and from which she cannot at present recede. In that hour it would be the proudest boast and most delightful reflection that she had used her soverei-

gnty towards enlightening her temporary subjects, so as to enable the native communities to walk alone in the paths of justice, and to maintain with probity towards their benefactor that commercial intercourse in which we should then find a solid interest."

Proudest Day

It is true this was written in a private journal but it shows how the Governor-General in India was thinking nearly 150 years ago. However, when Macaulay was Secretary of the Board of Control for India he made the following statement in the House of Commons on 10th July 1833:

"The destinies of our Indian Empire are covered with thick darkness. It is difficult to form any conjecture as to the fate reserved for a State which resembles no other in history, and which forms by itself a separate class of political phenomena. The laws which regulate its growth and its decay are still unknown to us.

"It may be that the public mind of India may expand under our system till it has outgrown that system; that by good government we may educate our subjects into a capacity for better government; that, having become instructed in European knowledge, they may in some future age demand European institutions. Whether such a day will ever come I know not; but never would I attempt to avert or retard it. Whenever it comes, it will be the proudest day in English history."

In 1858 the Government of India Act placed British India under the direct government of the Crown. Incredible as it may seem it is a fact that Mrs. Salt, the last widow of an officer of the old Honourable East-India Company died as recently as June 1967.

In 1877 on Disraeli's inspiration Queen Victoria was proclaimed as Empress of India, a title held by her four successors up to 1947.

As British armies conquered parts of India in the early years the local ruling Prince if considered backward and unsatisfactory was deposed and his family prevented from succeeding him. If on the other hand he was clearly a fine and honourable man a treaty was made with

him whereby he and his heirs continued to rule but under British paramount power.

In the former category there were finally two-thirds of the territorial area and three-quarters of the population in India. This area was known as British India and divided into Presidencies and Provinces ruled by British Governors. In the second category were the 565 Indian Princely States ruled either by Hindu Maharajahs and Rajahs or Muslim Nawabs.

These two parts of India were virtually administered separately by the British. British India was ruled by the Governor-General in Council. He could pass laws which were immediately enforced throughout British India. The Government of India was under him and had their own officers in the capital, originally in Calcutta and after 1912 in New Delhi.

565 Rulers

The 565 remaining Rulers of Indian States were all in treaty relations with the Queen Empress or later the King Emperor. They were dealt with by the Crown Representative for exercising the functions of paramountcy. He had a large office known as the Political Department in the capital, under whom there were officials known as the Residents living in all the big States. The smallest States were grouped together under one Resident. He lived in an official house known as the Residency, whereas the Governor of a Presidency or Province lived in a house known as Government House.

In theory these two top appointments were quite separate, but what happened in practice was that the same man was appointed both as Governor-General of British India and as Crown Representative for Native or Princely India. The man who held these two positions was known as the Viceroy.

So it was in the person of the Viceroy that the overall Government of India was co-ordinated. When he passed any law as the Governor-General-in-Council for British India he would inform his Political Department and they would tell their various Residents to require their respective Rulers to pass similar laws in their own States.

This is a somewhat oversimplified explanation of how the two separate parts of India were governed upto 1947. It faced me with one of my worst problems when I was the last Viceroy, because I realised that when the office of Viceroy was abolished on the transfer of power there would be no longer any co-ordination between the Governments of "British" and "Princely" India.

All I was told by His Majesty's Government in London was that the Indian Princes would have paramountcy retroceded and would in theory then become independent and could make up their own minds what they wanted to do in the future.

When I discussed this situation with Pandit Jawaharlal Nehru, Sardar Vallabhbhai Patel and Shri V.P. Menon we were all very worried. There had been some talk of the States People's Congress Parties seizing power and forcibly deposing their Rulers and then joining their State up with the rest of India. A little reflection showed the grave risk of bloodshed and the almost certain failure of such a move.

The Princes all had their own State Forces, of the equivalent strength of a Division, a Brigade, a Battalion or even a Company. All had been equipped and trained to fight by Officers of the Regular Indian Army and many of the State Forces had fought competently, courageously and loyally under me in Burma.

We had no doubt that if the Ruler wished to put down a rebellion by armed force he would have no difficulty in doing so but the consequent civil war and chaos throughout India would have been absolutely fatal to India's emergence as a unified and peaceful nation. So we unanimously rejected any but a peaceful voluntary solution.

The problem was solved by producing a scheme, agreed to by the future Governments of India and Pakistan whereby the Rulers would be given the opportunity of acceding to one country or the other, largely of course depending on geography. On signing the instrument of accession the Princes accepted the rule of the Government of India or Pakistan, as applicable, on external affairs, communications and defence.

Many Rulers pointed out that their properties in their State provided their sole source of income, so that unless a reasonable income was

guaranteed to them, under the title of "Privy Purse" when they finally gave up their ruling powers they would not only be unable to fulfil their obligations to continue to pay the pension of those who had served them, their fathers and even grandfathers, but many of the Princes themselves and their families would be virtually destitute.

It was therefore agreed as an eminently fair and mutually beneficial arrangement that the Rulers should retain their privileges and should be granted Privy Purses.

Major Step

By the time I arrived in India in March 1947 it was too late to keep the country unified but at least power could be transferred to only two Nations, India and Pakistan, and not to hundreds of independent and probably quarrelsome States. This then was the major step which started India off so successfully on her career as an Independent World Power. Without this honourable settlement there would have been chaos.

I relinquished the Viceroyalty on the transfer of power in August 1947 and expected to return to a duty in the Royal Navy. I was greatly surprised and overwhelmingly touched when the Government of Independent India invited me to stay on as their first Head of State, as Constitutional Governor-General.

At that time I knew that my Cabinet, indeed all Indians of goodwill, wished for a democratic secular State living in friendship with others and always aligning herself with freedom and peace, and ensuring for her own people an ampler life with growing opportunity and hope. I am happy to think that India is now established as a truly secular State, unidentified with any religion, but a State in which there is no religious discrimination whatever, and one which allows not only the Hindus, the majority community, but minority communities like Muslims, Christians, Sikhs, Buddhists and others, complete and total freedom of belief and worship.

In the twenty years since independence India has built a free society and given herself a Constitution under which women enjoy equal

rights with men, untouchability has been abolished and its practice made a punishable offence, and special measures have been taken to ensure the advancement of the more backward elements of society.

Real Achievement

India is now a parliamentary democracy which has withstood all strains of internal divisions to present a united face to the world, despite disparities of castes, communities, and regional differences of language, customs, and cultures.

Since 1947 India has held four general elections in free and fair conditions—the largest experiment in the democratic process the world has ever known. The real achievement of India lies in the building up of a single State out of some 570 political units?, Presidencies, Provinces, and Princely States, as I have explained and in infusing the feeling of Indianness among the hundreds of castes and communities, in absorbing many millions of displaced persons, and in enabling the rule of law through legislatures and courts to prevail. The task is not yet completed. The Indian experiment in democratic government has shown a vitality of its own which has not been smothered by internal difficulties and external aggression.

To the casual observer, India presents a picture of an unsettled society, of a mixed economy sometimes sliding down to near disaster. In one year rising prices are the cause of worry. In another, imports have to be cut. In some others, food is in short supply, mainly due to the failure of monsoons and the resulting drought.

If a longer view is taken, however, the scene is much more encouraging. The performance of a developing economy which undertakes social transformation within the democratic framework cannot be judged on the basis of the rate of growth over a short period. Real progress in many fields is being made after overcoming the initial handicaps of an economy in transition though this is sometimes obscured by the frightening growth of population.

The fundamental task facing India on achieving independence was the gigantic one of providing a vast population, now nearly 510 million

people, with adequate food, clothing, and shelter. Poverty on a monumental scale had to be tackled and the story of the past twenty years is one of efforts made and lessons learnt in making the life of the people a little easier, and a little happier.

Economic regeneration in India has been attempted through successive five-year plans. Three such plans have been launched since independence and the resources of science and technology have been harnessed to the task of raising the standards of life of a vast, impoverished population. Foreign aid has provided one-fifth of India's total investment in development over the three plans. The aid is in the form mostly of loans and partly of grants from Governments and international organisations. Britain and many countries of Europe as well as the United States and the Soviet Union have aided India. Loans repayable in foreign currencies authorised up to the end of September, 1965, amounted to a total equivalent to 2,600 million pounds sterling.

I have followed the statistics of India's development with emotional interest over the last twenty years. I hope I may be forgiven for quoting some of them.

Through three five-year plans, India has achieved a 70% increase in national income at constant price level of my time in 1947-48. Per capita income at these price levels rose by 28%. Agricultural production went up by 63% and industrial production by about 150%.

Since 1951, when the first Plan began, some achievements may be noted. More than 28 million jobs have been created. Expectation of life at birth rose from 32 in the decade 1941-50 to 41 in 1951-60. The latest estimate of the expectation of life is 50. Steel ingot production rose from 1.4 million tons in 1950-51 to 6.1 million tons in 1964-65. Installed electricity capacity rose from 2.3 million kw in 1950 to 10.1 million kw in 1966.

Some two dozen major river valley projects for irrigation and power have been completed or taken up, each with investment of some 14 million pounds sterling or more. New major industries have been established in India since planning began. Some of these are steam, diesel and

electric locomotives; motor cars; heavy machinery; electrical machinery; machine tools; textile, sugar, cement and paper machinery; and chemical fertilizers.

Power Supply

India is making tremendous efforts to increase her supplies of energy both through conventional sources and through nuclear power. In 1947 the total installed capacity was 1.4 million kW. In 1965 it was 10.1 million kW. Rural electrification, too, has made good progress. The first steps have been taken to provide nuclear power. Two nuclear power stations are under construction in Bombay and Rajasthan and a third is being planned in Madras. The design and engineering of the third will be wholly Indian.

India had a most rudimentary oil industry in 1947. Large-scale exploration has been undertaken since and existence of oil in many areas in Assam and Gujarat provided production of crude oil which was 60,000 tons in 1951, had risen to some 300,000 tons by 1966. Refineries have been established and the Indian Oil and Natural Gas Commission is participating in oil exploration in Iran.

India has improved facilities in communications. There has been a big increase and speeding up in the movement of goods and people. Formerly isolated and backward areas have been opened up. India has the second largest single railway network in the world. Nationalised under British rule, it remains the country's largest undertaking employing over 1.3 million workers. The length of road has also nearly doubled since I was in India in 1947.

Indian shipping tonnage has risen four-fold since 1950 from 390,000 GRT to 1,459,000 GRT in 1966. The Vishakapatam shipyard in South India has built 34 ocean-going ships since 1948. Domestic and international aviation is State-owned. Air-India, rated among the most profitable international airlines, flies to 22 countries.

Science and technology have made rapid headway. For a country where bullock-carts outnumber motor cars 12 to 1, India has advanced to the point of being able to build jet engines and a plutonium plant,

design computers, develop a new rocket fuel, manufacture transformers, steel mill machinery, oil rigs and electronic equipment.

There are now more than 12,000 scientific research workers in India. The 27 national laboratories and institutes of the Council of Scientific and Industrial Research, which employ 3,000 scientists, undertake both pure and applied research.

The Atomic Energy Establishment has three reactors, and has designed and built a Uranium plant, a thorium plant and a plutonium separation plant. India's attitude to science is governed by Jawarlal Nehru's belief that "science and science alone could solve the problems of hunger and poverty, of insanitation and illiteracy".

India has made marked progress in the field of education and health. In 1951, 23 million Indian children of the ages 6 to 17 went to school. In 1966, 68 million did so. The number of students in colleges in 1966 was 1.5 million—five times more than in 1951. Last year there were 52 universities with 1,615 arts, science and commerce colleges, 131 engineering colleges, 88 medical colleges, 67 agricultural colleges, 220 teacher training colleges and 63 law colleges. More than 7,000 students were doing their Ph.D.

Striking Improvement

There has been a marked growth in the training of engineers and technicians to man the developing economy. Annual admissions to engineering colleges have gone up from 4,700 in 1951 to 23,000 in 1966. Literacy in India stood at 14.6 per cent in 1947. It rose to 24 per cent in 1961. The estimate made in 1966 is about 30 per cent but India has still a long way to go. Adult education programmes have been undertaken through the Community Development Movement.

There has been a striking improvement in public health which has brought down the death rate from 27.4 in 1951 to 16 in 1966 per thousand. The fall in the death rate has to a great extent been due to the attack on preventible diseases like malaria, smallpox, cholera, plague and tuberculosis. Some of these diseases have been completely wiped out and others very nearly so.

I am proud to have been instrumental in solving the Malaria pro-

blem for I set up a Medical Advisory Division in my Headquarters, when I was Supreme Allied Commander, South-East Asia, in 1943. They brought in D.D.T. Mepacrin and Paludrin on a colossal scale.

Hospitals and dispensaries have nearly doubled since 1951 and greater number of doctors, nurses, and midwives are serving the nation. On my wife's advice I persuaded the Government of India in 1947 to make it possible to obtain a degree in Nursing, the first country to do so.

Perhaps the biggest challenge India is facing is the large population increase she has every year. Population is going up by 2.5 per cent a year. At this rate it would be 650 million in 1975-76. To check population growth is a chief aim of India's development policy. The goal is to bring down the birth rate from 40 per 1,000 now to 27 by 1975-76 and 18 by 1985-86.

A large network of family planning centres has been set up, the vast majority of them in rural areas. These centres give family planning advice and distribute contraceptives free. Sterilization is also encouraged. Nearly two million voluntary operations have been performed to date. The Government is thinking in terms of introducing a Bill providing for compulsory sterilisation of men with three or more children.

The problems of India are the problems generated by progress. These are wholesome problems. These are being faced boldly. There will be many setbacks but eventually India, I am sure, will triumph.

I am proud to think of the great progress which has been made by the second largest nation in the world since I had the privilege of being their first Head of State after independence, and to pay this tribute twenty years later.

Courtesy: The Hindu, Madras
Aug. 15, 1967

Abolition of Privy Purses Cannot Be Justified

By B. Shiva Rao,

In view of the controversy that has arisen over the proposal for the abolition of privy purses, it may be relevant to recall the circumstances under which article 363 assumed the form in which it is inscribed in the Constitution. It excludes the jurisdiction of the courts, including the Supreme Court, in any dispute arising out of any provision of a treaty, agreement, covenant, etc., entered into or executed before the commencement of the Constitution. At the same time, it does not prevent the President from referring such a dispute to the Supreme Court for its advisory opinion.

In August, 1949, before the final adoption of the Constitution, the States Ministry, presided over by Sardar Patel, sent a memorandum to the Drafting Committee dealing with a number of issues, including privy purse payment. It pointed out that the Government of India had guaranteed to the rulers of the merged and integrated States payment of privy purse amounts fixed under the terms of certain covenants and agreements. These payments, it was urged, had to be viewed, "not in isolation but in the context of the momentous developments" affecting the country's most vital interests.

Such guarantees formed "part of the historic settlement" which achieved "the great ideal of the geographical, political and economic unification of India", an ideal which for centuries "had remained a distant dream and which appeared as remote and as difficult of attainment as ever even after India's Independence". The lapse of paramountcy under a provision in the Indian Independence Act released the States from all their previous obligations from the British Crown and each State was completely free thereafter to link up its future with the Dominion with which it was geographically contiguous. But this was a matter for the ultimate decision of the ruler of each State.

Full Freedom

Lord Mountbatten, in addressing a conference of rulers on July 25, 1947, recognized that with the lapse of paramountcy the States would have complete freedom and both technically and legally they would be independent. In fact, some of the rulers seriously contemplated exercising their right of declaring complete independence and some others of joining Pakistan. The States Ministry's memorandum revealed :

"Disruptive tendencies which had been sedulously cultivated and encouraged were assuming menacing proportions and proposals for not only one but for several Rajasthans, were in the air. There were not a few who nursed the hope that overwhelmed by the combined weight of the partition of India and the disruption of the States the Government of India would go under".

It was against such an "unpropitious background" that the Government of India invited the rulers to accede on defence, external affairs and communications. An assurance was coupled with the invitation that over the rest of the field of administration they could remain as they were in the enjoyment of complete autonomy. Lord Mountbatten, in the speech to which reference has been made, made it clear that such accession would not imply any financial liability on the part of the States, and there was no intention either to encroach on the internal autonomy or the sovereignty of the States or to fetter their discretion in respect of their acceptance of the new Constitution.

No Use of Force

There was thus (according to the memorandum) nothing to compel or to induce the rulers to merge the identity of their States in the Indian Union. Any use of force at that stage, it was realized by the States Ministry, would have caused serious repercussions. The rulers, if they had kept out of the integration arrangements, could have continued to draw the heavy civil lists that they were accustomed to draw and enjoy unrestricted use of their State revenues.

The minimum, therefore, that the States Ministry could offer to the rulers was recognition of the continuance of the institution of ruler-

ship for the limited and clearly defined purposes only of the civil list and of certain personal privileges on a reasonable basis. Since the rulers had discharged their part of the obligations by transferring all ruling powers and accepting the integration of their States, the only obligation under such agreements to be discharged by the Government of India was to ensure the full implementation of its guarantees in respect of the privy purse and personal privileges. Under the terms of the merger agreements the privy purses were to be free from all taxation, since the rulers were sovereign in their own territories and, therefore, free from all taxation.

Sardar Patel, in explaining the position of the States Ministry in the Constituent Assembly in October, 1949, endorsed the points made in the memorandum. *The privy purse settlements would reduce the burden of the expenditure on rulers to at least a fourth of the previous figure. But more than the financial and political implications, he underlined the political and moral aspect of the settlement:* "Human memory is proverbially short. Meeting in October, 1949, we are apt to forget the magnitude of the problem which confronted us in August, 1947."

The consequences of the lapse of paramountcy had to be accepted at the time of our independence as part of the settlement with the British. The privy purse settlements were, therefore, in the nature of consideration for the surrender by the rulers of all their ruling powers and for the dissolution of the States as separate units. Sardar Patel commented :

"Need we cavil then at the small—I purposely use the word small—price we have paid for the bloodless revolution which has affected the destinies of millions of our people?"

He told the Constituent Assembly that the amendments proposed by the States' Ministry had been examined by the Constitution-making bodies of Mysore, Saurashtra, and the Travancore and Cochin Union. Some of the modifications proposed by these bodies had been incorporated in the amendments, while others were dropped as a result of discussions with representatives of these Constituent Assemblies. It had not been possible to adopt a similar procedure for ascertaining the wishes of the people of the other States and Unions of States through their representatives.

There were no properly constituted legislatures in the rest of the States; nor was it possible to have legislatures constituted in them before the Constitution of India emerged in its final form. *There was, therefore, no option but to make the Constitution operative in these States on the basis of its acceptance by the ruler or the Rajpramukh.*

In the final session of the Constituent Assembly on November 26, 1949, before the adoption of the Constitution, Sardar Patel made an announcement on behalf of the States:

“As honourable Members will recall, in the course of the detailed statement I made before this House on 12th October on the position of the States under the new Constitution. I apprised honourable Members of the procedure we contemplated regarding the acceptance of the Constitution by the States. I am glad to inform the House that all the nine States specified in Part B of the First Schedule in the Constitution, including the State of Hyderabad, have signified, in the manner indicated in my statement made on October 12th their acceptance of the Constitution which the House is now going to adopt”.

Patel Dissatisfied

It is clear from the subsequent correspondence between V.P. Menon, Secretary of the Ministry of States, and Mr. S.N. Mukerji, Chief Draftsman of the Constitution, in December, 1949, shortly after the final session of the Constituent Assembly, that Sardar Patel was not fully satisfied with the provisions in the Constitution concerning the States in their final form. Mr. Mukerji referred in his reply to “some misapprehension” on the part of the States’ Ministry in regard to Article 363. The Ministry had proposed certain amendments, the main features of which were (1) a constitutional guarantee for the payment of privy purse sums and their exemption from taxation; (2) none of the provisions of the covenants and agreements under the merger scheme to be justiciable but at the same time constitutional recognition to be given to the obligations assumed by the Government of India under such covenants and agreements. Mr. Mukerji observed;

“As far as (1) is concerned, under Article 291, provision has been

made in clear and unambiguous terms for not only charging the privy purse sums on the Consolidated Fund of India but also for the payment of such sums out of such fund. It is further provided in the same Article that these sums shall be exempt from all taxes on income. Article 363 does not in any way take away either the guarantee or the constitutional obligation contained in Article 291. Articles 362 and 363 make provision to cover the portion mentioned in category (2) above. The former gives specific constitutional recognition to the rights, privileges, etc., of rulers and the latter makes provisions of agreements covenants, etc., non-justiciable. Article 363 no doubt also bars the jurisdiction of the courts in any dispute in respect of any right accruing under, or any liability or obligation arising out of any of the provisions of the Constitution relating to any treaty, agreement covenant etc., but obviously this is a necessary corollary to what is contained in the earlier part of the Article".

Not Justiciable

The argument in favour of barring the jurisdiction of the courts in regard to the guarantees of the privy purses, Menon was reminded, was stated by the States' Ministry itself in these words: "If these agreements were allowed to be justiciable, there would be a perpetual cause for regret."

In a final paragraph Mr. Mukerji observed:

"The Drafting Committee has no longer any function in relation to the provisions of the Constitution. Any doubt as to the exact interpretation of any provision of the Constitution can now be authoritatively settled only by the Supreme Court. We do not think that it will be right for anyone to hazard a guess as to the exact meaning or scope of a particular provision in the Constitution. In the opinion of Dr. Ambedkar no amendment to any of the provisions of the Constitution should ordinarily be proposed until such provision has been duly impugned before the courts and the Supreme Court has had an opportunity of interpreting it".

It may be useful to point out that in 1937 and the two following

years, Left-wing Congress leaders drove the princes into the arms of the Muslim League through intemperate references to their autocracy. But it could at least be said at that time that the Congress was demanding the introduction of reform and popular representation in the States as a condition of their entry into the federation. It was a legitimate and even laudable demand to make for strengthening the democratic front.

A decade later, Sardar Patel achieved a much greater objective with the willing consent of the princes by offering them "a small price" for bringing about "a bloodless revolution". The repudiation, now proposed, of the basic principle of the settlement to which not only Sardar Patel but the entire Constituent Assembly was a party has none of the redeeming features of the campaign against the princes 30 years ago.

*Courtesy: The Statesman, New Delhi,
Aug. 17, 1967*

Princes Turn Trade Unionists

By K.K. Duggal

India's princes have formed a trade union to defend the vestiges of their power that was.

The Union was born over the weekend (August 12-13) in the chandeliered Zodiac room of New Delhi's poshest, tallest hotel where 60 leading princes and princesses held a closed-door conclave to chalk out collective action against the Government's move to abolish the privy purses and privileges the former rulers have enjoyed for 20 years.

It has been given the innocuous title of a standing consultation committee, but its job is to dissuade the Government of India from going back on the 'solemn' treaties and covenants the purses and privileges were a part of these signed with the erstwhile rulers.

The committee has ten key charter members, including the Maharaja of Baroda a minister in the Congress-ruled Gujarat State, who has

been named convenor-general, and the Maharaja of Bikaner, an Independent Member of Parliament, pro-convenor-general.

Docile

In a somewhat docile statement, which sounded anti-climatic to the dramatic moves by the princes in the past weeks, issued at the conclusion of the conference, the 'princes deplored' the move to 'violate' the treaties which unified India. The statement reminded the Government that it was 'an irony of fate' that many of the princes who were 'hailed' as the co-architects of 'independence' in the Constituent Assembly were being 'singled out for treatment which cannot be justified on any grounds.'

The debate over the privy purses has been going on in the country and within the Congress Party for well over a decade. It assumed a sharp edge in June when the All-India Congress Committee in a resolution called upon the Government of India (The Congress is the ruling party at the centre) 'to take steps to remove the privy purses' which were "incongruous with the concept and practice of democracy."

Serious Challenge

The resolution, which has been greeted as 'historic' by the leftists and condemned by the rightists and princes as a 'breach of faith' comes on the heels of the general election in which the princes emerged as a political force in various States, posing a serious challenge to the declining Congress influence.

Socialists inside the Congress and outside were quick to point the accusing finger at the princes who, they charged, were misusing their wealth to buy votes. A powerful block in the Congress Working Committee urged that privy purses be declared an office of profit, thus debarring rajas and maharajas from contesting elections.

Privy Purses

What are these privy purses over which so much ink and breath is being spent currently ?

The privy purses are the annual maintenance allowance of about

Rs. 58 million which the late Sardar Vallabhbhai Patel, Deputy Prime Minister, settled on the rulers of 280 of the 550 princely states—together they ruled two-fifths of the land—as a quid pro quo for merging their territories with the Indian Union. They have been written into the instruments of accession which the rulers signed with the Government of India on the lapse of Paramountcy and are guaranteed by the Constitution.

Today the total privy purse bill Rs. 48 million. The largest purse of Rs. 2.6 million goes to the Maharaja of Mysore and the smallest of Rs. 192 to the former ruler of Katodia. The late Nizam of Hyderabad used to get Rs. 5 million, but his successor receives only Rs. 2 million. (According to the agreement the purses diminish with every successor).

The canny Sardar, who has been likened to Bismarck of Germany, offered tax-free purses as a sop to the princes—‘a small price’, as he put it, for preserving the unity of the country.

The British Cabinet Mission, which ultimately decided to hand over power to Indians, had expressed the view that on the lapse of paramountcy the political agreements between the British Crown and the princes would and that the void would have to be filled by the princely states entering into political arrangements with the successor government. Many rulers cherished a fond hope that they would become independent or enter into federal arrangements with India.

V. P. Menon, Secretary of the States Ministry who happened to be close to Sardar Patel and played a key role in the merger talks, describes the position in his book ‘Story of integration of Indian States’ thus :

Guarantees

‘The general tendency among the rulers was to make the best of the bargaining position in which the lapse of Paramountcy placed them. The prevention of Balkanisation of India was the supreme task of the moment. . . We considered that in equity, these rulers should be given allowances for their maintenance, that such allowances should

not be terminated with the present rulers but should be continued to their successors.'

Sardar Patel himself defended the purses before the Constituent Assembly, while recommending constitutional guarantees in these words : "The capacity of mischief and trouble on the part of rulers if the settlement with them would not have been reached on a negotiated basis, was far greater than could be imagined at this stage. Let us do justice to them. Let us place ourselves in their position and then assess the value of their sacrifice. The rulers have now discharged their part of the obligations by transferring all ruling powers and by agreeing to the integration of their states. The main part of our obligation, under these agreements, is to ensure that the guarantees given by us in respect of privy purses are fully implemented. Our failure to do so would be a breach of faith and seriously prejudice the stabilisation of the new order."

It is this pledge that the princes want the Government to keep. The Maharaja of Baroda, who presided over the New Delhi meeting of princes said : "We feel that the move to abolish privy purses is a breach of the promise given us by Sardar Patel."

The Nizam of Hyderabad, who held parleys a few weeks ago with the Maharaja of Mysore and Travancore and Yuvraj Karan Singh of Kashmir (a cabinet minister in the Indira Gandhi Government) said violation of a solemn constitutional pledge would create a "grave situation."

Support to Princes' Case

Several political leaders have supported the princes' case that sanctified treaties should not be sacrificed to political expediency. The first Indian Governor-General C. Rajagopalachari, said the privy purses are 'deferred payment' guaranteed by the Constitution and violation of this pledge would lower India's stock in the world, "Would the United States not ask how it could trust the Government of India by giving money when it sought to cheat its own rajas ?" he asked.

Dahyabhai Patel, Sardar Patel's son and a Swatantra MP, expressed similar views : 'How can India go to the Hague Court or the

United Nations if the Government fails to uphold the sanctity of its treaties and covenants ?”

Even Morarji Desai, Deputy Prime Minister, has stated that his personal view is that the ‘word given to the princes should be honoured.’ He opposed the Congress resolution inside the party.

Ranged on the other side are leaders like Home Minister Y. B. Chavan, Atulya Ghosh, Treasurer of the Congress Party, and Bhupesh Gupta (Communist MP) who believe that the Sardar’s assurances are not relevant to the present circumstances.

Chavan pointedly asked his critics in Parliament : “What about our commitments to the millions in our country—of equality of opportunity”.

Gupta characterised the treaties with princes as ‘morally reprehensible and a crime against our countrymen.’

S. Mulgaokar, editor-in-chief of the ‘Hindustan Times’, joined issue with Chavan : ‘I wonder if Mr. Chavan believes that the Rs. 4 crores (40 million) that he is going to save annually by defaulting on his party’s freely undertaken obligations to the princes will enable him to fulfil his promises to the masses. The Indian budget is now of the order of Rs. 3,000 crores (30,000 million). Set against this kind of figure, Rs. 4 crores is an irrelevance, especially when it is bought at the expense of honour and morality.’

A contributor to the ‘Hindu’, Madras, wrote : ‘To take away the privy purses and save the exchequer a handful of silver is one way of creating 500 odd outposts of avoidable rancour and bitterness.’

Compromise move.

V. P. Menon puts the problem in the proper perspective. He says in his book that the total privy purse of Rs. 58 million was nothing compared to the princes’ assets like cash balances and investments amounting to Rs. 770 million acquired by the Government of India and the income from the railways and the palaces and buildings the princes surrendered.

Meanwhile, efforts are afoot to find a compromise formula. One suggestion is that the princes who enter politics should give up their purses and privileges voluntarily. Another is that privy purses should terminate with the present incumbents and their heirs have no claim to them.

Courtesy: The Leader, Allahabad
Aug. 22, 1967

Abolition of Privy Purses

By Prof. A. R. Wadia

The moral deterioration of the Congress has been a notorious fact for some years. If any proof of it were needed. It has been amply supplied by the irresponsible and illegal resolution passed by AICC by a snap vote to the effect that the privy purses of the Princes should be abolished.

It may have the whole-hearted approval of angry young men or angry old men for whom promises and treaties solemnly entered into the provisions duly made in our Constitution may carry no weight and have no moral value. But this is a far cry from the high ideals of Mahatma Gandhi by whom the Congress nominally swears. The Prime Minister has promised to have the whole question examined from all angles. But it is disturbing to such a stalwart moralist as Deputy Prime Minister Morarji Desai admitting that he is opposed to the resolution as it is a breach of a pledge, but as a loyal party man he feels bound by it.

Tail Wagging The Dog

The claim that an AICC resolution is binding on the Congress Government is preposterous. It reduces our democracy to the level of Fascism for Communism. It is like the tail wagging the dog, for it is

Parliament and the Government which were entrusted with the task of ruling the country, not the AICC which is merely a party body. For the same reason Mr. Desai's so-called loyalty at the sacrifice of his judgement, to his party may seem commendable to a Congressman; but judging by the wider interests of the country it cannot be endorsed as either sound or reasonable or moral or even justified by the needs of real politics.

Mrs. Indira Gandhi in referring to the possible international repercussions of the move presented only one aspect of the damage that the illconceived AICC resolution would inflict on the country. She presumably referred to the international status that the Princes might regard themselves as reverting to if the treaties with them were annulled. But there is another more damaging implication : no foreigner will any more have faith in the world of an Indian or of the Indian Government if the move goes through. If open abolition of privy purses is allowed, then presumably contract can be repudiated loans arbitrarily written off and all in the name of democracy. If democracy stands for such low morality the less we have of such democracy the better. It is certainly not the democracy for which the great Abraham Lincoln lived and died. It is certainly not the democracy which the framers of our Constitution had in mind.

The resolution of the AICC can be looked upon only as an expression of jealousy, political immaturity and cynical disregard of moral values. Our angry young men not know the facts and our angry old men may find it convenient to forget historical facts, but the nation as a whole can be so ignorant and forgetful only at its own cost. After the British left the princes to decide their own future it was open to them to avoid merger with India or Pakistan, for they had armies almost as efficient as the British Indian army and loyal to them. Of course if they had been so rash as to measure swords with the Government of Independent India they would have been easily wiped off, for history the people and lack of resources were against them. But such an operation would have cost crores of rupees, far more than what the Princes have got in the form of their privy purses. Certainly it would have led to loss of many precious Indian lives not to speak of the bitterness that would have lingered for years.

Sardar Patel's Statesmanship

Luckily, India had in Sardar Patel a great statesman who had the vision and the capacity to win over the Princes to the cause of Indian solidarity by allowing them to retain a goodly portion of their wealth and many of their privileges. This was embodied in the form of treaties and it was given the highest possible security by being embodied in our Constitution. The significance of the Sardar's statesmanship or the skill of his lieutenant the late Mr. V. P. Menon, have not been appreciated by the public at large or even by the Congress, though history will show that he was the greatest Indian of our generation next only to Mahatma Gandhi.

Not the least important result of the Sardar's statesmanship was to create a sense of loyalty among the Princes to the interests of India at large. It is really wonderful how the Princes have adapted themselves to the changed conditions come down from their high pedestals and entered the political arena with gusto, rubbing shoulders with the rank and file of Indian voters. I have had experience of several Indian States of the pre-Independence days and have nothing but admiration for the adaptability shown by practically all the Princes. I have heard of only one Maharaja who could not reconcile himself to the loss of power and pomp to which he had been accustomed. It is said that he never smiled after he had become a commoner, one among millions, though with empty high-sounding titles. He died prematurely, but even he never lost admiration for and a devotion, to Sardar Patel, whose memory he helped to enshrine in his own way.

The moral of this historical recital is to realise the conditions under which and the proposes for which Sardar Patel and the Constitution-makers not only agreed to the Princes getting privy purses and some privileges but guaranteed them purses and privileges through incorporation in the Constitution.

Let it not be forgotten that the Privy Purses in the aggregate constitute a diminishing liability. For with the death of a prince the privy purse of his heir is heavily reduced. It is only a matter of a few years

for the Privy Purses to come to an end by the more efflux of time. Surely it is no wisdom to stir up a hornet's nest for the sake of jealousy or party interest—and at what cost to the nation, moral and material, nobody knows.

Courtesy: Hitavada, Nagpur
Aug. 22, 1967

Privy Purses and Our Parliament

By N.C.N. Acharya, Advocate

That the proposed stoppage of the Privy Purses of Indian Rulers and Princes involves a great reversal of the existing arrangements under the Indian Constitution since the peaceful revolution which inaugurated Indian Independence under it, goes without saying. Judicial protection is sought to be taken away so that the Articles and provisions relating to covenants and agreements entered into between the Rulers and the Indian Union, constituting solemn undertakings to pay Privy Purses to the Princes, could be ignored or thrown overboard, leaving them with no remedy. The Central Law Ministry recommends the repeal of the relevant provisions themselves, as, according to them, no Rulers as such exist and the provisions relating to payment of Privy Purses in the Constitution could be omitted from the Constitution, thereby rendering the agreements and undertakings a nullity and of no effect.

Apprehension of political consequences of the abolition of Privy Purses in some of the existing States like Gujarat and Mysore and Madhya Pradesh does not seem to count much, because, Shri Yeshwant Rao B. Chavan declared that the Government at the Centre is committed to implementing what he calls an epoch-making resolution of the AICC. This statement is not to be regarded as mere shilly-shally. A historic and epoch-making move it certainly is, whatever the consequences that emerge therefrom ultimately. On the other hand, we have the view of the elder statesman of India, Mr. C. Rajagopalachari that the abolition of Privy Purses might sully, 'honour at home and prestige abroad'.

Before examining the legal views expressed by the Central Law Ministry in connection with the abolition of Privy Purses, it is worthwhile considering some undeniable facts. It was considered by the Government before freedom that the larger States were hardly twenty-five in number. The rest of the States 575 in number included some 300 Jagirdars and several States so ridiculously small that they were regarded then, as now as tiny or fractional States. The Rulers and Princes, it may be noted, had, under their sway before the formation of the Indian Union, an area slightly less than half the area of the whole country, and they had ruled roughly a fourth of the population of India. Eliminating estates which do not count, it may safely be stated that the States now to be affected would be 542. It is within living memory that the Indian States when and before the Indian Union was formed, apprehended that, without sufficient safeguards expressly included in the Indian Constitution, their rights and privileges might be endangered by successive elected majorities having different political complexions. Once such apprehensions were allayed in the event of their merger with the Indian Union, the hereditary autocracy and aristocracy of India, including the biggest Maharajahs, surrendered their rights as Rulers, in lieu of which, they were to get Privy Purses of varying amounts totalling 5.69 crores. The figure now stands at 4.81 crores. The abolition of Privy Purses would save the liability of the Union to that extent.

Law Ministry's Views

Some twenty years after the agreements and covenants were entered into by the Rulers and the Princes the Indian Constitution being in vogue, all these years, the Central Law Ministry considers that there is no legal or constitutional bar to the abolition of Privy Purses notwithstanding the declaration of rights of different kinds, express provisions meant to guarantee minority rights, and agreements; and covenants entered into by the Rulers and Princes before the Constitution came into force seeking to safeguard their and their successors' rights and interests. The question now is, could the Privy Purses be abolished legally, constitutionally and equitably and could the aggrieved, in the event of their abolition, find any remedy in one of the lengthiest and the most complex of the written Constitutions in the world? At the moment, the move

to amend the Constitution, it having been amended already twenty times, is in the air to achieve the purpose in view.

The Indian Constitution, according to the Preamble, is framed to secure to all citizens of India, social, economic and political justice and to promote fraternal feelings assuring the dignity of the individual and the unity of the nation. No State is above law and our Constitution and the Government established by it is to promote liberty, equality and fraternity. Above all, it should promote legal justice which implies responsibility arising from an unqualified promise or an absolute legal duty resting on obvious principles of natural as well as positive law in giving effect to the provisions of the Constitution. The commonsense of justice would be shocked if law does not give effect to solemn undertakings embodied in the Constitution itself. . . . The question is would they (the Rulers and Princes) have agreed willingly and voluntarily to surrender their rights if they had, at the time they signed the agreements, the least inkling that, at a future time, the agreements and covenants would either cease to be enforced or abrogated by an Act of Parliament by amending the Constitution, and that they and their successors in title would be deprived of the Privy Purses fixed at the time of merger of their possessions with the Indian Union? What does an appeal to lay commonsense (according to the standard of law applied to ascertain what right-minded and prudent men look for at other's hands) say?

In interpreting our Constitution, judges are not to be influenced by any extraneous considerations. Our Parliament exercises political supremacy, which courts cannot question. Within the bounds of our written Constitution, our Parliament has no superior. On the other hand, the omnipotence of the British Parliament, is the off-spring of its peculiar history. Even with such legislative omnipotence, which the sovereignty of British Parliament invests, it has not legislated to abolish monarchy. Similarly, in spite of legislative supremacy, no subsequent British Parliament had taken back what had been granted by the Statute of Westminster. These examples might serve to show that 'legislative might of the majorities' must be sparingly used if only the legislators are to avoid political folly by hasty and ill-considered steps to amend the Constitution so as to affect established rights.

The process of merger of States simultaneously with their entering into agreements and covenants, was effected before the commencement of the Constitution. It is provided by Article 131 that no dispute arising out of these pre-Constitution agreements will come within the jurisdiction of the Supreme Court's original jurisdiction. But such a dispute may be referred to it by the President for opinion. It is clear that the Supreme Court's opinion or decision on matters referred to it is of an advisory nature and the function may be called consultative on what the President refers to the Supreme Court as a question of public importance. The opinion of the Supreme Court however, is not binding on the President, although it may enable the Central Government to secure an authoritative opinion as to the validity of a measure before initiating it. The question now is, under the Constitution, would the Government of the day desist from initiating legislation abolishing Privy Purses if the Supreme Court's advisory opinion is that the proposed measure would not be legal or Constitutionally valid?

"Violation of Fundamental Rights"

There are those who have strongly asserted that the abolition of Privy Purses is against all constitutional guarantees and proprieties and violative of the constitution and Fundamental rights. It is also stated that the only effect of the abolition of the Privy Purses is to unsettle, disturb and put into confusion the body politic. It is also argued that the very act of accession or merger being effected by agreements and covenants, their unenforceability would render the accession itself dubious.

As against the above views, the Central Law Ministry has asserted that the Princes and the Rulers have no legal remedy, that the Instruments of Accession do not contain provisions for the annulment of Accession, and that hence the privy purses could be annulled by the Indian Parliament notwithstanding the assurances made by the architect of integration, Sardar Vallabhbhai Patel as Deputy Prime Minister, that the covenants would be respected in letter and spirit. The Central Law Ministry now states that such statements cannot be legally availed of in interpreting the statute in a court of law whatever be the other aspects, moral and the like, involved there in. The Law Ministry recommends

the abolition of Articles 291, 362, and 363 of the Indian Constitution, whereby the liability to pay Privy Purse amounts, according to them, would automatically cease. Alternatively also, they have suggested the reduction of Privy Purses by stages in the case of huge sums payable beyond a lakh a year, whilst sums below that sum could be commuted and paid to the holders.

Should the Indian Parliament be a party to all the above methods, artifices and contrivances which human ingenuity could invent to achieve its object? Or, should it be actuated by a spirit of equity, justice, protection, and lenity in dealing with the Constitution so as to maintain its delicate balance? If a part of the Constitution is demolished to achieve an object like the one under consideration, other interests sought to be protected by the Constitution would reasonably entertain apprehensions that, at a future time, they too will share the same fate at the hands of succeeding Governments formed by elected majorities. As it is wisely stated by political thinkers and authorities, any medicine of State should not be corrupted into poison. The authority of the majority exercised to undo the work of the pioneers should not plunge in poverty and distress hundreds of men of worthy families. It is also reasonable to think that on the abolition of the Privy Purses those affected thereby will necessarily feel disgraced and degraded. It involves the overturn of several provisions of the Constitution.

Having in view what is stated above, let us consider the relevant Articles which are proposed to be amended or altered. Although the Central Law Ministry asserts that a Ruler as such does not exist, he, the Ruler is defined in the Constitution as one by whom any covenant or agreement is entered into before the commencement of the Constitution and to whom payment of any sum free of tax has been guaranteed or assured by the Government of the Dominion of India as Privy Purse which shall be charged on and paid out of the Consolidated Fund of India and the sum so paid to any such Ruler shall be exempt from all taxes on income (Art. 366 (22)). Much of the confusion will be avoided if the above definition is borne in mind. In consideration of the surrender of his rights as a Ruler and the integration or merger of his State, he is to be paid a certain sum intended to cover all the expenses of his family (vide 291 (1)).

The Parliament or the legislatures of States, it is provided, should have due regard to the guarantee or assurance given under the covenants and agreements entered into. Such a guarantee avails not only those of the present Rulers who entered into the agreements, but also those recognised by the President as the successor of such State in the exercise of the same power as was exercised by the British Crown as paramount power to recognize succession and to settle disputes. From the above, it will be seen that Parliament itself cannot legislate so as to defeat the guarantees and assurances contained in the agreements entered into by the Rulers. If it legislates otherwise, it is submitted, that even the powers of the President to settle disputed rights of succession would be taken away or curtailed.

Rule of Succession

Another thing to be noted, is, that the Privy Purses go by a fixed rule of succession according to our laws. They are, besides, charged to the Consolidated Fund of India which means they are independent of the vote of Parliament. The nation and the Union Government have pledged the revenues of India for payment of Privy Purses. Could Parliament adopt measures to break that pledge expressly made without shocking the conscience of those pledged to work and subsist under a democratic Constitution?

Apart from the above, it may be pointed out that the abolition of Privy Purses has a discriminating effect offending against the intention and spirit of the Constitution itself. The position will be still worse if the various interests affected by the proposed modification and amendment of the Constitution are not given full opportunity to express their views.

As the position stands at present, it is clear that Parliament, constitutionally, legally and equitably cannot adopt measures of the kind suggested so as to defeat established rights embodied in the Constitution and in agreements solemnly entered into. Will the nation tolerate the indirect curtailment of the powers of the President exercising Paramountcy in the ways above suggested? Political negotiation is one thing and enforceable rights another, whether in a court of law or before any other forum.

In conclusion, it is submitted, that fortunately, our nation does not subscribe to what was known to Constitutional scholars as Rob Roy's good old rule : "They should take who have the power and they should keep who can."

Courtesy: The Deccan Chronicle, Secundrabad
Aug. 22, 1967

The Law and Privy Purses

By A. G. Noorani

The Union Minister for Law, Mr. P. Govinda Menon's statement (Aug. 21) that privy purses can be done away with by a mere executive order of Government would have caused surprise anyhow. What makes it truly disturbing is that it reflects a certain outlook on the sanctity of the Constitution as well. If and when the privy purses are thus abolished, Mr. Menon asserted, the constitutional provisions pertaining to them (Arts. 291 and 362) would simply become otiose or redundant. A very remarkable doctrine indeed.

Article 291 is mandatory in express terms: "Where under any covenant or agreement entered into by the Ruler of any Indian State before the commencement of this Constitution, the payment of any sums free of tax, has been guaranteed or assured by the Government of the Dominion of India to any Ruler of such State as privy purse—

- (a) such sums *shall be* charged on, and *paid out of*, the Consolidated Fund of India; and
- (b) the sums so paid to any Ruler shall be exempt from all taxes on income."

Additionally, Article 362 enjoins:

"In the exercise of the power of Parliament or of the Legislature of a State to make laws or *in the exercise of the executive power*

of the Union or of a State, due regard shall be had to the guarantee or assurance given under any such covenant or agreement as is referred to in Article 291 with respect to the personal rights, privileges and dignities of the Ruler of an Indian State."

These are solemn provisions advisedly enacted. Speaking on Art. 221 in the Constituent Assembly on October 12, 1949, Sardar Patel said, "I now come to the proposed Article 267-A (as Art. 291 stood in draft) in respect of which some explanation is necessary. The Government of India have guaranteed to the Rulers of merged and integrated States payment of privy purses fixed under the terms of the various covenants and Agreements of Merger. Article 267-A gives *Constitutional recognition to these guarantees* and provides for this expenditure being charged on the Central Revenues subject to such recoveries as may be made from time to time from the Provinces and States in respect of these payments."

The Supreme Court has also observed that it was "in order to give *Constitutional recognition to the guarantees and assurances under the Covenants*, that the pertinent Constitutional provisions were embodied. It stressed that these rights, privileges and dignities "avail the Rulers in their status as Indian citizens and not in recognition of any sovereign authority continuing to remain vested in them."

*Courtesy: Weekend Review, New Delhi
Sept. 2, 1967*

Privy Purses—Political Stunt or Statesmanship ?

By Inder Jit

The A.I.C.C. resolution asking the Government to take steps to abolish the Privy Purses has put the Centre in a tight spot. At a time when all its energies and thoughts are needed to fight the deepening economic crisis and the mounting threat of internal upheaval, the Indira Cabinet finds itself pushed into an embarrassing controversy over a relatively trivial matter and directed to do something against its better judgement. Every now and then, a cry for abolishing Privy Purses has been raised from Congress forums and in Parliament. Time and again, the demand has been examined and shelved. But all that is conveniently slurred over in an atmosphere in which few care to remember and even less to study and investigate.

The matter is not as simple as Mr. Mohan Dharia and his enthusiastic supporters seems to imagine. It is one thing to catch the leadership napping and get an amendment carried by a snap vote towards the fag end of a long and weary day. But it is quite another to have the resolution implemented. True, the Constitution has been amended over 20 times already and can, therefore, be easily changed once again without violating its sanctity. However, Privy Purses cannot be abolished merely by amending the Constitution, even presuming that the Congress could muster the requisite two-thirds majority in Parliament with the help of the Leftists. There would still be the merger covenants to tackle—and surmount.

The Constitution did not supersede or replace but only reinforced the covenants, entered into by the Princes with the Government of India as equals and full sovereigns. At one stage it was suggested by some of the Princes that the covenants might be registered with the U.N. as a guarantee against any future violation by India. The proposal was, however, dropped following a talk with Sardar Patel. The

Sardar bluntly told them of his great surprise and disappointment that, while they had placed faith in the white man's plighted word for some 200 years, they were not willing to extend the same confidence to "persons with skins of the same pigment !" Finally, however, the Sardar agreed to back the covenants by a Constitutional guarantee so as to leave no scope for any misunderstanding in the years to come.

Parliament is sovereign and can undoubtedly go ahead and tear up the agreements if it so chooses. The Princes, who once had the power to bargain, are today entirely at New Delhi's mercy. Some of their advisers have been talking boldly though inadvisedly in terms of seeking redress at the International Court of Justice. However, such an exercise, if ever launched, is foredoomed to failure for two good reasons: first, The Hague Court can be invoked in regard to a given covenant only if the agreement is registered with the U.N. ; secondly, the Princes today lack even the "basic capacity" to bring up the matter because this privilege is extended only to sovereign States under the international law.

But before the Union Government decides unilaterally to change the covenants it must consider all aspects of the matter. More than anything else it must take full note of the far-reaching consequences, both international and national, of going back on the pledged word. India has steadily built for itself, over the last two decades, the image of a country believing in and observing the rule of law and the democratic process of evolutionary growth. This image is certain to get tarnished, creating not a few problems at a time when we are anxiously trying to attract foreign capital and bending over backwards to offer it one guarantee after another. At the same time, one cannot ignore the possibility of causing ourselves embarrassment in regard to international disputes wherein our claims to territory or otherwise spring from agreements and covenants signed with the former Princes.

Internally, any such action could cause the Princes singly or collectively to revolt. Of course, any such rebellion would not be in the normal sense of the term. Nonetheless, the Princes could greatly add to the present turmoil by claiming a return (even theoretically) to the situation under the Indian Independence Act, which released the States

from all their obligations to the British Crown, and, according to Lord Mountbatten, restored to them "complete freedom—technically and legally". Most of the 500 odd States may not be in a position to create trouble. But what about those like Manipur and Tripura strategically located on our borders ? Nothing could be a greater boon to anti-national elements in these areas than to have even deposed and powerless rulers on their side.

It can be easily argued that total sovereignty was never really restored to the Princes, and that Lord Mountbatten himself acknowledged this when he advised the States to join India or Pakistan and warned that if nothing was put in the place of the link provided by the Crown "only chaos can result"—and chaos that would "hurt the States first". It can also be argued that real sovereignty rested with the peoples of the Princely States, and that the rulers only succeeded in blackmailing New Delhi with the aid of the British. However, politics is not a matter of right or wrong, but one of reconciling conflicting interests. There is seldom any rationale behind treaties, which have to be acknowledged and accepted as historical compromises.

Twenty years after Independence, we appear to ignore the circumstances in which the agreements were reached. In fact, Sardar Patel faced a bit of a problem himself in the matter as he confessed when he set the record straight to justify the settlement in the Constituent Assembly. "Human memory is proverbially short", he said. "Meeting in October 1949, we are apt to forget the magnitude of the problem which confronted us in August 1947... The situation was, indeed, fraught with immeasurable potentialities of disruption... The minimum which we could offer to them as quid pro quo for parting with their ruling powers was to guarantee to them Privy Purses and certain privileges on a reasonable and defined basis... Need we cavil then at the small—I purposely use the word small—price we have paid for the bloodless revolution... Our obligation under these Agreements is to ensure that the guarantees given by us in respect of Privy Purses are fully implemented. Our failure to do so would be a breach of faith...

The price paid so far for this revolution is about Rs. 110 crores by way of Privy Purses, which, incidentally, is not even a drop in the

bucket compared with the good few thousand crores already spent for the integration of just one State, Kashmir. In any case, Privy Purses are a tapering liability in accordance with a principle established by Nehru, who never reconciled himself to this payment, but who as a liberal realized that the pledged word could not be broken. Originally, the Privy Purses totalled over Rs. 5.69 crores. This amount is now down to a little over Rs. 4.81 crores, the Purses having been progressively reduced on each succession. Out of 552 States, only 284 accepted Privy Purses; the rest chose Zamindaris or talukdaris. Only 77 States get Privy Purses between Rs. 1 and 5 lakhs, 19 between Rs. 5 and 10 lakhs and 6 above Rs. 10 lakhs. At the other end, 12 states receive between Rs. 5000 and Rs. 10,000 and 25 under Rs. 5000. The smallest Privy Purse is Rs. 192 per annum. This goes to Katodia in Saurashtra. Five Purses have lapsed.

Congressmen have good reason to be angry with the Princes for cheating them of rich electoral plums in many a place. But there is no justification for the stand that the enjoyment of Privy Purses should automatically debar them from politics. In fact, Sardar Patel himself invited the Princes to enter public life. At any rate, the A.I.C.C. resolution, reflecting this chagrin of the Congressmen, does not bind the Government hand and foot. For one thing, many A.I.C.C. resolutions, including the one on nationalization of the rice mills and another on a ceiling on urban property, remain unimplemented. For the other, it is open to the Government to remit the matter back to the A.I.C.C. for a second look. At the Jaipur Congress in 1948, a resolution on standards of public conduct, which was adopted by 107 votes to 52 and indicted Ministers "more especially", was remitted by Nehru for reconsideration the following day, and the "objectionable" words deleted with the support of Sardar Patel and Pantji.

Opinion among almost all Central leaders and official experts appear to be clear that the fresh examination now under way is not going to lead to any different conclusion to the one reached earlier. However, it might be a good idea to put an end to the legal argument by securing the opinion of the Supreme Court in the matter. True, the covenants are not justiciable and the proviso of Article 131 excludes the Supreme Court's jurisdiction from disputes arising from "covenants

entered into or executed before the commencement of the Constitution". However, Article 143 empowers the President to refer even such disputes as mentioned in the proviso of Article 131 to the Supreme Court for opinion.

In the final analysis, both the former rulers and the power-that-be have a responsibility. The rulers, for their part, must realize that several of the privileges they now enjoy are clearly anachronistic and go against the national mood. In 1949, Sardar Patel complimented them for their "imagination, foresight and patriotism" and appreciation of the "aspirations of the people". Enlightened self-interest demands that they should not be found wanting today. The Government, for its part, should decide whether the people are at all likely to be impressed by political stunts. Such stunts as abolition of Privy Purses may be good tactics in the short run and help divert attention from Congress failure in implementing its socialist programme and the consequent creation of a new and much bigger class of Princes. But will this be good statesmanship ?

Courtesy: INFA, New Delhi

C.R. Pleads for Continuance of Privy Purses

If the citizens' rights were unwritten in India's Constitution, they would have been completely protected by the Supreme Court, Mr. C. Rajagopalachari, Swatantra leader wrote in the current week's Swarajya on privy purse issue.

Mr. Rajagopalachari said these rights having been written down. Parliament claims the right to amend and annul them by an amendment of the Constitution. This is the opposite of what Mr. K. M. Munshi who got the fundamental citizens rights inscribed in the Constitution wanted.

Mr. Rajagopalachari said "similarly the contract entered into with the ex-rulers of Indian States having been written down in the Constitution, Parliament claims the right to annul it by an amendment of the Constitution—opposite of what Sardar Vallabhbhai desired".

Had the undertaking been in a document of treaty and not inscribed in the Constitution, it would have been irreversible. That it was put into the Articles of the Constitution, instead of giving double security as was intended, is sought to be made a ground for annulling the undertaking. "The undertaking stands irrespective of the Constitution", Mr. Rajagopalachari emphasised. The ex-princes and their sons were quite capable of looking after themselves, Mr. Rajagopalachari said and added they were not wanting in the skills required for commerce or for politics.

"The withdrawal of these guaranteed allowances will not ruin them", he said.

"They command a respect among their people which Congressmen in power have failed to command. This has been demonstrated in many instances. Indeed this demonstration is the provocation that has turned defeated Congressmen to think of stopping the payments

promised to the former rulers—as if that would reduce their popularity”, Mr. Rajagopalachari argued.

Not Reactionary

“Is it difficult for the Congress Party to see that the result would be the exact contrary of what it seeks”? Mr. Rajagopalachari asked.

“It may appear that a reactionary that I am, I am pleading for the former princes. Pleading for them or anybody else upon whom something wrong is sought to be inflicted is not a “reactionary attitude”, Mr. Rajagopalachari said.

“I plead for the conserving of India’s good name in the international world and for India’s advancement in international commerce”, he said.

The stoppage of payment of privy purse to princes “is not action taken in respect of any matter arising out of any covenant or treaty but a throwing of the undertaking overboard. A total backing out a simple breach of promise.” Mr. Rajagopalachari argues.

He said that the principal point “is not a legal one but one of honour”.

“It is dishonourable for the Government of India to break a promise made to loyal subjects entered in the voters’ lists, whatever may be the case in respect of terms entered into with co-existent and theoretically equal Government under treaties” he said.

Mr. Rajagopalachari wanted lawyers to read Article 362 and “struggle with Article 363 to discover a way out”.

The wrong sought to be done “is definite” he affirmed, and added that it would be “Adharma” to leave the “victim without a remedy”.

Defections

Bulk defections of party members “is more often based on misdemeanours of parties and party leaders than on selfish interest”. Mr. Rajagopalachari says.

"If party bosses, for instance systematically fill semi-official organisations with their favourites and partisans, the resentment of a large body of dissatisfied party members and of the public is quite natural. Freedom of movement from one party to another is in a sense the essence of democracy. To take away this freedom would lead to a greater evil than what we seek to remove", the Swatantra leader said.

He added : "Political affiliation, should not develop into a caste system but should retain its elasticity".

Courtesy: Deccan Chronicle, Secunderabad

Princes' Privy Purse

By J. S. Bhist, Former Member, Rajya Sabha

To me it seems that much of the controversy that has been going on about the princes' privy purse is beside the point and therefore irrelevant.

Article 291 lays down that "such sums shall be charged on, and paid out of, the consolidated fund of India and...."

Article 362 says that "in the exercise of the power of Parliamentor in the exercise of the executive power of the Union or of a State, due regard shall be had to the guarantee or assurance given under any such covenant...."

According to article 363, "subject to the provisions of Article 143 neither the Supreme Court nor any other Court shall have jurisdiction in any dispute arising out of any provisions of any Treaty...."

Article 291 was amended by the Schedule to the Constitution (Seventh Amendment) Act 1956 when I was a Member of Parliament. Also by Section 5 of the Constitution (Seventh Amendment) Act Article 131 was amended. Some members raised these very points about the

privy purse but neither the then Prime Minister nor the then Home Minister ever thought on the lines that now seem fashionable. Why?

The point is that these treaties are in the nature of international treaties and therefore above the municipal laws. If these treaties, entered into at a crucial moment of our history, are now treated as "scraps of paper". What treaty will remain sacrosanct ?

These princes were not mere zamindars but sovereign rulers of their States and need not have acceded to India. What their relations with their own subjects would have been is another matter. We would have had a balkanized India but for the farsighted statesmanship of Sardar Patel.

Now it is said that this paltry sum of Rs. 4 crores a year is too much for India out of a budget of Rs. 3,000 crores for the Union and Rs. 4,000 crores or more if the States are also taken into account. When the treaties were entered into with the princes the Union Budget was of the order of Rs. 400 crores and Rs. 700 crores if the States were taken into account.

The question of Socialism is dragged in. Is England, Sweden, Denmark or Norway not a Socialist State ? Do they not have kings and queens ? Even the question of so-called promise to the people is brought in. What is this vague promise and with whom was it specifically entered into ?

The Constitution provides that the President can refer a dispute about a treaty to the Supreme Court for advice and if the princes make a representation to him, in all fairness he is bound to refer the dispute to the Supreme Court. Apart from this, the princes can raise a substantive issue, before the Supreme Court, of the Government of India unilaterally nullifying the very corpus of the treaties, engagements, sanads etc.

Courtesy: The Statesman, New Delhi

A Moral Obligation

By K. N. Nagarkatti

The question of privy purses involves a moral principle. It is no argument to say that Parliament has the legal right to repudiate guarantees and treaties. In the strict legal sense every nation has the right to declare war on its neighbour, as Italy did on Abyssinia in 1936. No one can dispute this right, and, in this sense, Parliament can repudiate the guarantees given in the Constitution in regard to privy purses.

Article 362 of our Constitution recognises privy purses in the following words :

‘In the exercise of the power of Parliament or of the Legislature of a State to make laws or in the exercise of the executive power of the Union or of a State due regard shall be had to the guarantee or assurance given under any such covenant or agreement as is referred to in Article 291 with respect to the personal rights, privileges and dignities of the Ruler of an Indian State’.

Article 291 referred to above reads as follows :

‘Where under any covenant or agreement entered into by the Ruler of an Indian State before the commencement of this Constitution. the payment of any sums, free of tax, has been guaranteed or assured by the Government of the Dominion of India to any Ruler of such State as privy purse:

- (a) such sums shall be charged on and paid out of the Consolidated Fund of India; and
- (b) the sum so paid to any Ruler shall be exempt from all taxes on income’.

It will thus be seen that privy purses were guaranteed by the

Government of the Dominion of India to which the withdrawing British Govt. was a party and which was the predecessor of the present Union Government. Article 362 does not say that Parliament or the Legislature of a State shall not legislate in a manner adverse to the terms of the guarantees. It only says that 'due regard' shall be given, the restriction amounts therefore only to a directive principle and emphasises the moral side of the guarantee. The sovereign rights of the Union are maintained, as, in fact, they should be.

The privy purse can be abolished if a Ruler has gone over to the enemy, or has done an act prejudicial to the integrity of the Union or has fomented at reasonable act Government's moral obligation does not extend to the point of tolerating treasonable acts. In any other circumstance, 'due regard' cannot mean 'total disregard'. An act of Parliament abolishing the privy purses of all the Rulers without taking into account the merits or demerits of any particular Ruler on any complaint or allegation of treasonable activity and in the absence of any such allegation against any or all of them will mean 'total disregard' and therefore will amount to an act of moral turpitude.

The monetary effect of the privy purses on the Consolidated Fund of India is hardly a question at issue. It is of the order of a few crores of rupees whereas the money now spent by Government on our legislators far exceeds that amount. The demand for the abolition of privy purses comes most vociferously from political parties and groups which believe in violence or which have been jolted by some Rulers who have shown their ability as political leaders in the opposition or which ignore or profess to be ignorant of the moral aspect or the matter.

This moral aspect is further emphasised in the Directive Principle enunciated in Article 51 (c) which reads :—

'(c) foster respect for international law and treaty obligations in the dealings of organised peoples with one another.'

The rights to Privy purses or to the other princely privileges can be altered only by fresh agreements (or, if one may yet choose to call, treaties) with the holders of these rights who, in the language of our Constitution are, still, Rulers,—not ex-Rulers.

The Union Government is obviously proceeding to limit these rights and privileges by negotiation and by fresh treaties. This is an honourable course. Being an honourable course, the outcome would also be expected to be honourable. As democracy takes deeper roots with the passage of them, it is only just that such rights as the right to display red number plates on cars could be wiped out by fresh agreements. But the privy purse which is not all money to be spent on lascivious living may not be amenable to drastic cuts. The gain to our reputation as upholders of a moral obligation will be far greater than the financial gain to the Union.

Courtesy: The Hitavada, Bhopal

Princes' Right to Privy Purses

By Thiruvengadatha Iyengar

The resolution of the All India Congress Committee demanding the abolition of the Privy purse amounts paid to the princes continuously from 1949 till to-day and the claim made by 116 members of Parliament to implement forthwith this resolution has sparked off an unnecessary controversy the repercussions of which no one can foresee now.

The immediate reaction of the Union Law Minister, Mr. Govinda Menon, that he can even by an executive fiat stop this payment, notwithstanding the legal prohibitions against the stopping of such a payment and the legal duties enjoined on the Union of India to pay the amount at the proper time has worsened matters. Out of a total annual expenditure of Rs. 12,000 crores of the Union of India. the amount spent on privy purse is only Rs. 5 crores and is not even one by two-thousandth part of the expenditure of the Union. The origin of this payment is the contract entered into by the Dominion of India in 1948 with the Rulers of Indian States under which the Rulers surrendered their sovereignty and rights over their territory in consideration of an annual payment of fixed sums mentioned in the covenants of merger for incorporating the States into the Dominion of India. After the merger, on the invitation of Sardar Patel, the Rulers and subjects of the States sat together in the Constituent Assembly as citizens of India (White Paper pages 109 and 150) along with the selected representatives from the then British India and framed our Constitution.

Safety Clauses

The merger agreements now form part and parcel of our Constitution (vide Chief Justice Chagla Indian Law Reports 1955 Bombay 62). To avoid any possible repudiation in the future of the privy purse amounts, our freedom fighters of the Gandhian era, who also helped to frame our Constitution enacted safety clauses in Articles 291 and 362 of the Constitution directing that the privy purse amount should be char-

ged on the Consolidated Fund of India and paid to the Princes free of income tax, and that in all future legislation and executive orders due regard shall be had to the guarantee and assurance given to the Rulers under the respective merger agreements in regard to their personal and private rights. On grounds of high public policy the public rights alone of the succeeding and succeeded State and its citizens arising out of the merger agreement have been dealt with in a separate water-tight compartment in Article 363. Disputes arising out of the merger agreement in regard to public rights cannot be the subject matter of adjudication even by the Supreme Court under Article 363 while disputes relating to the personal rights of the Rulers, like the payment of the privy purse and their privileges, are expressly made justiciable and can be enforced through appropriate writs by the Supreme Court under Article 32 or by any High Court under Article 226.

Statutory Public Debt

It is a matter of great regret that the authorities and slogan votaries who claim a vested right in certain dogmas have yet to realise that Articles 113 and 114 are complete and effective answers to the repudiators of the privy purse. The amount to be paid as privy purse is charged on the Consolidated Fund of India and all amounts charged and payable out of this Fund are not votable by Parliament under Article 113 and they must be paid. It is also significant that the privy purse amount is not votable by Parliament in the same manner as the salary of the President of the Indian Union Under Articles 112, 113 and 291. The withholding of the payment of the privy purse is a repudiation of a statutory public debt and this repudiation will raise doubts in many quarters, near and distant, as to which other public debt, statutory or otherwise will be repudiated next.

An ex-Ruler is as much a citizen of India as anyone else (1954 Supreme Court 477) and is also in law a secured creditor of the Indian Union. If the Union repudiates this debt it violates the fundamental right of the citizen to recover his debt charged to the Consolidated Fund and this gross infringement of a fundamental right will attract Article 32 of the Constitution. There are also other legal and constitutional hurdles set out in the 6-1 majority judgment of the Constitution Bench

of the Supreme Court in 1964 (S.C. 1043) which the authorities cannot get over to stop this payment.

Law of Waiver

The clause relating to the payment of the privy purse is a self-executing clause and has been incorporated in Articles 113, 114, 291 and 362. The privy purse claim now made is not based on the covenants of merger but as a secured public statutory debt due to the Princes under the Constitution and independent of Article 363, which the repudiators of this debt cite. The Constitution has accepted this liability and it cannot be repudiated now. The application of the principle of "Act of State" cannot be an excuse to repudiate the privy purse as the ex-Ruler is now a citizen, of the secular State of India and an Act of State applies only to aliens and not to citizens (1954 S.C.477), Sardar Patel did not invite the Rulers and citizens of the States to join the Constituent Assembly as aliens but as citizens of India. The Constitution Bench of the Supreme Court by a 6-1 majority, has accepted, following the law laid down by Lord Dunedin in 56 I.A. 357, that any dispute arising out of the merger contract cannot be enforced by a citizen but it has also conceded to the high contracting parties (the Rulers and the Union of India) the right to enforce obligations under such covenants (1964 S.C. 1043). Further, the privy purses were paid till January 26, 1950, under a then existing law relating to the contracting and payment of public debts and that law has been continued after that date under Article 372. Now even the Constitution cannot be amended, after Golaknath's case, after February 27, 1967, for the purpose of repudiating this public debts. Repudiation of this debt through any kind of new law will also be a violation of fundamental rights and cannot be done. (Justice Mudholkar in 1964 S.C. 1043 at 1087). By a continuous payment for over 20 years, the law of waiver has come into effective operation to debar the State now from raising any objection to this payment, even if the State should be deemed otherwise entitled to raise any such objection.

Emphasising the moral, legal and constitutional aspects of the problem Chief Justice Chagla has observed (I.L.R., 1955 Bom. 62) that Article 362 is a constant reminder to us that the merger agreements are now embodied in the Constitution and form part and parcel of the Cons-

titution and for their patriotic gesture the princes have been guaranteed the privy purse. An observation (obiter) of a Bench of three Judges in 1966 (S.C.A. 138 at 145) that the payment of the privy purse amounts cannot be enforced in municipal courts, cannot now be considered a precedent, as a previous decision of a Constitution Bench of seven Judges (1964 S.C. 1043) laying down under what circumstances the rights contemplated under the merger agreements can be enforced against the Union of India or the States, was not brought to its notice. The right to enforce the privy purse was not an issue in that case and the effect of Articles 113 and 114 imposing a complete prohibition on Parliament from voting on this matter was also not argued.

Not Urgent

Priding ourselves as we do that we are bound to put into practice the ideals cherished by Mahatma Gandhi, we have only to turn back to history to receive a cruel reminder in the shape of his candid admission that his attempted fast unto death to bring round the Rulers of Rajkot to his view was a Himalayan blunder. This reminder together with what has been pointed out by Chief Justice Chagla, cannot leave in our minds any doubts as to where our duty lies. The danger from Pakistan and China, the economic instability of the country and the acute food shortage should now claim all the time of our leaders rather than less urgent matters like prohibition, privy purse and nationalisation of general insurance and banks.

Courtesy: The Hindu, Madras
Sept. 8, 1967

THE PRIVY PURSE

I. Legal Aspects of Abolition

By N. A. Palkhiwala

WHEN the independence came for India in 1947 the biggest political question was whether the rulers of the Indian States would make supreme sacrifice and immolate their States at the altar of national unity. An India deprived of the Indian States would have lost all coherence, since the States formed a great cruciform barrier separating all four quarters of the country. The accession of the Indian States to the Dominion of India was such a vital necessity that Coupland raised the rhetorical question, "India would live if its Moslem limbs in the north-west and north-east were amputated, but could it live without its heart?"

On August 15, 1947, when the Indian Independence Act, 1947, came into force, British paramountcy lapsed and the Indian States became completely sovereign and independent. They were free to accede to either of the two dominions of India and Pakistan or to remain independent.

Area of States

The area covered by the Indian State which merged into the republic was 587,949 square miles, being about 47 per cent of the total area of the Dominion of India, viz. 1,260,853 square miles. Thus 28 per cent of the total population of India lives in the erstwhile States.

By January 26, 1950, when the Republic of India was born, 554 Indian States had acceded to India and were integrated into the pattern of the Republic. First, instruments of accession were executed by the rulers, acceding to the Dominion of India. After the instruments of accession came the merger agreements or covenants, under which the State merged in the adjoining provinces, or became a centrally administered areas, or coalesced into unions of States.

The merger agreements and the covenants provided that the rulers would continue to enjoy their personal rights and privileges and contained a solemn assurance that they would be paid a privy purse which "will neither be increased nor reduced for any reason whatsoever". The Government of India was a contracting party to each merger agreement, and was a concurring party to each covenant and guaranteed all the provisions of each covenant.

In 1950 the aggregate total of the privy purses came to about Rs. 5.8 crores. At present a total of Rs. 4,81,59,714 is being paid annually by the Government of India as privy purses to 279 princes.

When the Constituent Assembly was debating the provisions of the draft Constitution dealing with privy purses and the personal rights and privileges of the rulers, Sardar Vallabhbhai Patel gave a brilliant speech on October 12, 1949, in which he dealt with the historical background of the settlement with the rulers and demonstrated the political and moral justification for the payment of privy purse :

"The privy purse settlements are therefore in the nature of consideration for the surrender by the rulers of all their ruling powers and also for the dissolution of the States as separate units.

"We would do well to remember that the British Government spent enormous amounts in respect of the Mahratta Settlements alone. We are ourselves honouring the commitments of the British Government in respect of the pensions of those rulers who helped them to consolidate their empire. Need we cavil then at the small—I purposely use the word small—price we have paid for the bloodless revolution which has affected the destinies of millions of our people.

"The capacity for mischief and trouble on the part of the rulers if the settlement with them would not have been reached on a negotiated basis was far greater than could be imagined at this stage. Let us do justice to them; let us place ourselves in their position and then assess the value of their sacrifice. The rulers have now discharged their part of the obligations by transferring all ruling powers and by agreeing to the integration of their States. The main part of our obligation under these

agreements is to ensure that the guarantees given by us in respect of privy purse are fully implemented. Our failure to do so would be a breach of faith and seriously prejudice the stabilisation of the new order."

Rulers Praised

It is a curious fact that the Government still continues to pay the pensions promised by the British Government in respect of the Mahratta Settlements, referred to by Sardar Patel, while it proposes to break its own promises regarding the privy purse.

The white paper on Indian States, published in March 1950 by the Congress Government, paid a high tribute to the "imagination, foresight and patriotism" of the rulers and called them "co-architects in building a free and democratic India".

The crucial fact for the purposes of international law is that the Indian States became fully independent sovereign States in 1947 when paramountcy lapsed.

The Dominion of India on the one hand and the Indian States on the other entered into settlements as two sovereign independent States, and the obligations arising under these settlements are undoubtedly binding on, and enforceable against, the Government of India under international law. The Indian Government cannot take the benefit of accessions and mergers and dishonour its pledge to pay privy purses. Any unilateral repudiation by the Indian Government of its liability to pay privy purses would be a flagrant violation of its obligation under international law.

There is not a single extenuating factor to condone such a breach. There has been no change of circumstance during the last twenty years, to justify such a breach. For instance, if a ruler were guilty of treason, or his State were to be lost to India by enemy action, the Indian Government might plead a change of circumstance justifying refusal to pay privy purse to that particular ruler. But the varying creeds and shifting policies of the party or politicians in power cannot possibly be pleaded as a change of circumstance justifying unilateral repudiation of an inter-

national treaty. To hold otherwise would be to reduce international pledges to scraps of paper.

Merger Accord

The instruments of accession are inextricably linked with the subsequent agreements of merger or covenants under which privy purses have been guaranteed, and they form integrated stages of a single historical and constitutional episode. It is not possible to separate the accession or merger from the guarantee regarding the payment of privy purses.

Article 51 of the Constitution lays it down as one of the Directive Principles of State Policy that "the State shall endeavour to.....foster respect for international law and treaty obligations in the dealings of organised peoples with one another." This article cannot possibly be present to the minds of those who invoke the constitutional goals of India as an argument for the abolition of privy purses.

A fact which is of great significance is that some of the States, e.g. Kashmir, Kutch and Tripura, adjoin the external boundaries of India. In the disputes with Pakistan regarding Kashmir and the Rann of Kutch the stand of India is solidly based on the accession of the rulers of the two States and the subsequent merger of one of them. While the territorial integrity of India is based wholly on the accessions and mergers, the obligation to pay privy purses, which is inserverable from them, is sought to be repudiated by the Government. Such repudiation would supply a weapon to our enemies across the border and might throw up new problems in the difficult times that lie ahead.

The articles of the Constitution which bear on the privy purse are Articles 291, 362, 363 and 366 (22). The following propositions emerge from an examination of these articles :

First, it is enjoined by Article 291 that privy purses shall continue to be paid in accordance with the guarantees given by the Government in covenants or agreements with rulers. It is implicit in Article 291 that there is an obligation on the Government of India to pay privy purses, which

obligation existed before the date of the Constitution and continues to exist independently of the Constitution. Article 291 embodies the constitutional acceptance and recognition of the pre-existing guarantees or assurances given by the Government of India regarding privy purses.

Secondly, Article 291 enjoins that privy purses shall be charged on, and paid out of, the Consolidated Fund of India, with the result that privy purses are not to be voted upon and debated by Parliament every year. Thus, the privy purses guaranteed by the Government under the merger agreements of covenants, are further assured and guaranteed by the Constitution and charged on the Consolidated Fund of India: there can be no greater security, surer guarantee or more inviolable assurance known to law. The Article further contains a constitutional guarantee that privy purses shall be exempt from all taxes on income.

Thirdly, abolition of the privy purses would not only be a breach of the pre-existing independent obligation *de hors* the Constitution, but would also be a violation of Article 291. Abolition of privy purses cannot be achieved by administrative action or by legislative action since either course would be an infringement of the obligation under public international law and would, further, be in breach of Article 291. To say that so long as privy purses continue Article 291 will operate but that Article does not bar the abolition of privy purses altogether by administrative action, is really to mock the Constitution. It is incomprehensible how the Law Ministry could have come to the conclusion reported in papers that while reduction of privy purses would require an amendment of the Constitution, their abolition can be done by an executive order without such amendment. Such a startling result cannot be reached by any known canon of construction.

Fourthly, the abolition of privy purses cannot be achieved even by deleting Article 291 of the Constitution. Because the obligation to pay privy purses is the result of pre-existing guarantees given by the Government which survive under public international law and exist independently of the Constitution of India.

Fifthly, under Article 362 Parliament and the State legislatures, as well as the Union and State executive authorities, are enjoined to have

due regard, in exercising their powers and functions, to the guarantees given by the Government to the rulers with respect to their personal rights, privileges and dignities. "Due regard" is the very antithesis of "disregard". Abolition of the personal rights and privileges of the rulers would be a clear violation of Article 362.

Sixthly, although "ruler" has been defined in Article 366 (22) as one who for the time being is recognised by the President as the ruler of the State, the guarantee regarding privy purses which continues to stand under international law and is reaffirmed in the Constitution cannot be avoided by not "recognising" the ruler. This point needs no further elaboration since it is impossible to believe that the President of India would ever derecognise a ruler to serve an extraneous purpose.

Courtesy: The Times of India, New Delhi
Sept. 23, 1967

THE PRIVY PURSE

II. The Moral Aspect

By N. A. Palkhiwala

ARTICLE 363 of the Constitution is the mainstay of the advocates of abolition of privy purses. That Article deserves a closer scrutiny than it has received in some quarters.

Article 363 bars the jurisdiction of the Supreme Court or of any other court in any dispute arising out of Agreements or Covenants with the Rulers, or in any dispute in respect of any right accruing under or obligation arising out of any provisions of the Constitution relating to such Agreements or Covenants. This Article was inserted merely because the framers of the Constitution did not want these political settlements to be debated in and construed by courts of law. In fact, it was meant really to protect the Rulers against the possibility of judicial pronouncements upsetting the arrangements agreed to by the Government, in proceedings started by people who might feel that they have been affected or injured by the settlements made with the Rulers. The Article was not intended to serve as a shield to a Government which violated its obligations under the historic settlements and the Constitution.

Article 363 was moved in and adopted by the Constituent Assembly on October 16, 1949. (It was at that time numbered Article 302AA.) Shri T.T. Krishnamachari moved the Article. No other member spoke on the Article. No amendment was moved. The Article was adopted and added to the Constitution immediately after the mover finished his short speech in the course of which he said :

“The House will recognise that it is very necessary that matters like these should not be made a matter of dispute that goes before a court and one which would well-nigh probably upset certain arrangements, that have been recommended and agreed to by the Government of India in determining the relation between the Rulers of States and the Government of India.....”

Difference

There is a vital difference between a dispute and a policy; between the construction of a treaty and a general decision to dishonour all treaties; between the manner of carrying out the mandate of Article 291 to pay privy purses and a decision to ignore it altogether. The jurisdiction of the Court is barred by Article 363 in the first category, but it is debatable whether it is barred in the second.

In any event, Article 363 is a subject to the provisions of Article 143. Under Article 143, the President may refer any question of law or fact, which is of public importance to the Supreme Court for consideration and the Court would then report to the President its opinion on the question. Under Article 141 the law declared by the Supreme Court is binding on all courts within the territory of India; and under Article 144 all authorities, civil and judicial, in the territory of India are bound to act in aid of the Supreme Court. Suppose the President refers to the Supreme Court the question as to the validity of the proposed abolition of privy purses; suppose the Supreme Court gives its opinion that such abolition would constitute a violation of the Constitution; and suppose the Government still goes ahead and abolishes privy purses. Would the aggrieved Ruler then have any recourse to a court of law or would the bar to the Court's jurisdiction in Article 363 still operate? If the bar would still operate, surely the President's reference to the Supreme Court would be an exercise in futility and the constitutional guarantee under Article 291 would be denuded of all meaning.

Guarantee

A further question is whether, apart from the provisions of Article 363, the jurisdiction of municipal courts should be held to be barred on the ground that the settlements with the Rulers are political settlements between high contracting parties and are governed by international law. The view that the Court's jurisdiction would be barred, apart from Article 363, is fallacious and overlooks two important aspects.

First, although the Agreements with the Rulers, which continue to subsist, were no doubt pre-existing at the date of the Constitution

and continue to subsist independently of the Constitution, the Agreements have been given additional sanction by Articles 291 and 362. These two Articles themselves create rights and obligations and the municipal courts cannot refuse to enforce them merely because the genesis to those rights and obligations is to be found in political Agreements. Article 291 contains a guarantee regarding the taxfree payment of privy purses and constitutes a limitation on legislative competence and executive power which the courts of India would recognise and enforce. A political agreement cannot be enforced, or an Act of State cannot be pronounced upon, by the municipal courts; but the constitutional law of the land has to be enforced by the national judiciary.

Secondly, the Rulers were high contracting parties when they entered into the settlements; but they are now citizens of India, although they continue to be Rulers for the purposes of the Constitution. As citizens of India they are entitled to have recourse to the municipal courts for enforcement of the constitutional provisions in their favour.

Assuming the jurisdiction of the Supreme Court and of other courts in India, in disputes arising out of Merger Agreements and Covenants, is barred, that would only mean that the Rulers would be unable to enforce their claims in the municipal courts. But it would certainly not mean that the Government's action would be legal and constitutional. A wrong does not become right merely because the avenue of legal redress is not open to the aggrieved party.

Sacrifice

Apart from considerations of international law and constitutional law, the heart of the matter really lies in the moral aspect of the issue. The plea that continuation of privy purses has no moral justification is the very travesty of truth.

In terms of money's worth, the Rulers gave up much more than what they have so far got or will ever get in the foreseeable future by way of privy purses. Official statistics show that the rupee is worth one-fourth its value at the time when the privy pruses were fixed. What is being paid in terms of the depreciated and depreciating rupee is part

consideration for not only the kingdoms which were ceded to the Dominion of India but vast properties which have now enormously appreciated in value. When the administration of the Indian States was taken over the new Governments inherited cash balances and investments of the value of over Rs. 77 crores. During the settlement of the list of private properties, the Rulers surrendered over 500 villages, gave up their claim to Rs. 4-1/2 crores and handed over palaces, buildings and other assets and a railway system of about 12,000 miles, without any compensation.

Even more important is the aspect of national honour. The Government of India gave solemn written guarantees for payment of privy purses. The people of India, in whom sovereignty resided after 1947, pledged their word and reaffirmed the guarantees. Article 291 of the Constitution represents the guarantees given by the people of India. Would it be moral for the Government now to repudiate the Agreements unilaterally and go back not only on the Government's own word but also on the pledge of the people as embodied in the Constitution?

Shri Brajeshwar Prasad must have been in a prophetic mood when he said in the Constituent Assembly on October 10, 1949; "A nation that sacrifices vital principles, that does not stand by its pledged word, has no future in politics.... I do not know what kind of people will come in the future Parliament of India. In the heat of extremism or at the altar of some radical ideology, they may like to do away with the provisions which we have made in the Articles of the Constitution."

Principles

On the same day, Sardar Vallabhbhai Patel said in the Constituent Assembly: "Learn to stand upon your pledged word.... Can you go behind these things? Have morals no place in the new Parliament? Do not take a lathi and say, 'who is to give you guarantee? We are a Supreme Parliament. Have you supremacy for this kind of thing? To go behind your word? That supremacy will go down in a few days if you do that.'"

When the long day's task was done and the draft of the Consti-

tution had been put in final shape, Acharya J.B. Kripalani expressed these memorable sentiments in the Constituent Assembly on October 17, 1949: "I want this House to remember that what we have enunciated are not merely legal, constitutional and formal principles, but moral principles; and moral principles have got to be lived in life. They have to be lived, whether it is private life or it is public life, whether it is commercial life, political life or the life of an administrator. They have to be lived throughout. These things we have to remember if our Constitution is to succeed."

It is necessary in our time and land to recall the great moral purpose which animated and sustained the labours of the Constituent Assembly. What a contrast to the standards prevailing in our legislatures today.

The moral aspect of the matter has been put in telling words by V.P. Menon: "The merger agreements and covenants are bilateral documents. As Sardar very rightly remarked, the rulers discharged their part of the contract by surrendering their States and powers. They are now bereft of any bargaining power. Because a creditor is too weak or poor to enforce his rights, a debtor should not, in honour, refuse to discharge his debt. As an honourable party to an agreement, we cannot take the stand that we shall accept only that part of the settlement which confers rights on us, and repudiate or whittle down that part which defines our obligations. As a nation aspiring to give a moral lead to the world, let it not be said of us that we know the 'price of everything and the value of nothing'. ("The Story of the Integration of the Indian States", p. 467.)

Deep Concern

It should be a matter of the deepest concern, both to the Government and to the people of India, that the nation's truth and honour are at a stake. In international law and under our constitutional law there is no pledge and no guarantee which has any higher legal sanction than the one concerning privy purses. If the Government can break its promise regarding privy purses, what could be the sanctity of any other promises given by the Government which do not have such formal sanction of international law and of constitutional law behind them? For

example, what about the Government's assurances to foreign investors that they would be permitted to remit their profits and repatriate their capital? What is the security of those who own Government Paper and whom the Government has promised to pay a certain sum at a future date?

Some top-ranking politicians have called privy purses "anachronistic." The painful truth, brought home to us by the tone of Indian politics today, is that while privy purses are not anachronistic, good faith and a sense of honour are.

Courtesy: The Times of India, New Delhi
Sept. 25, 1967

ABOLITION OF PRIVY PURSES

Asoke Sen Recounts Legal Difficulties

New Delhi, Sept. 18 (UNI).—The former Union Law Minister, Mr. Asoke Sen, said today that the Central Government should not take any action for the abolition of privy purses without ascertaining the opinion of the Supreme Court under Article 143 of the Constitution.

According to Mr. Sen, the privy purses cannot be abrogated either by an Executive Act or even by a law of Parliament, since their payment, free of all taxes, has been enjoined by Article 291 of the Constitution. Only if it is amended, can the purses be done away with.

In the former Law Minister's view, "the charge created under Article 291 of the Constitution is a constitutional charge which must be observed by Parliament and the State Legislatures and the Central Government."

He goes further and says that if the Government failed to carry out the mandate of Article 291 (i.e., payment of privy purses free of all taxes), that mandate can be enforced by an appropriate writ issued under Article 22 of the Constitution by the appropriate High Courts."

Expressing surprise at the reported advice of the Law Ministry, that the Government can abolish privy purses by a mere Executive Act under Article 363, Mr. Sen said that this Article cannot be invoked by the Government to break the constitutional guarantee.

"Even if the courts are barred from giving relief in case the Government breaks the constitutional mandate, it cannot authorise it to flout Article 291," Mr. Sen said that any person affected could move the High Courts and seek a writ asking the Government to perform its duty by Article 291.

As for the argument that Article 363 bars the court from going into "disputes" arising from governmental action on any matter covered

by covenants or agreements, Mr. Sen observed that "the enforcement of a constitutional obligation is not a dispute within the meaning of Article 363."

The former Law Minister said : "The issues involved are of far-reaching consequence, not only for the present generation but for the future generations. It is, therefore, fit and proper that the President should refer this matter to the Supreme Court for opinion under Article 143.

Directive of Constitution

Assuming that the High Courts could not issue writs in such cases, nevertheless, neither the President nor Ministers nor members of Parliament could ignore a solemn directive of the Constitution to which they had all sworn allegiance.

As for the question whether the abolition of privy purses could attract Article 31 of the Constitution (enjoining the payment of compensation for acquisition of property), Mr. Sen feels that it would. That is to say, deprivation of the privy purses of the ex-rulers without compensation would be a violation of Article 31.

The former Law Minister, however feels that the Article 14 (providing for "equality before law" for all citizens) would not be attracted by any abolition, unless different rulers are treated differently in the matter.

As far as privileges are concerned, Mr. Sen feels that these have not been protected in the Constitution in the same manner as privy purses. Article 362 provides that "due regard" shall be had to covenants and agreements which embody these privileges. In other words, there is no constitutional bar to their removal.

The former Law Minister has also expressed the view that the annulment of privileges or privy purses cannot have any effect on the agreements entered into by the former Indian rulers and the Dominion of India. The Constitution now applied to the whole of India, including the territories comprising the former Indian States, and for their administration as parts of the States, which formed territories of India.

Patel's Views

Recalling the extraordinary circumstances in the post-Independence era under which the agreements were entered into Mr. Sen referred to the late Sardar Patel's own vigorous defence of the guarantees.

Mr. Patel had said that "the privy purse settlements are in the nature of consideration for the surrender by the rulers of all their ruling powers and also for the dissolution of their States as separate units. The minimum which we could offer to them as *quid pro quo* for parting with their ruling powers was to guarantee them privy purses and certain privileges on a reasonable and defined basis."

The former Law Minister said that "taking Article 291 along with Articles 36 and 363, it was clear that one of the obligations contained in the covenants of Indian rulers, namely, that relating to the privy purse, was converted into a constitutional guarantee by creating a charge for the payment of the privy purses on the Consolidated Fund of India under Article 291 of the Constitution. The other rights and obligations in the covenants were not made the subject matter of any constitutional guarantee except what is contained in Article 362, namely, that Parliament and the State Legislatures and the Executive power of the Governments shall exercise their powers with due regard to the guarantees and assurances contained in the agreements and Covenants."

Mr. Sen, said : "It is a settled principle of law that even where a charge is created by agreement between two parties in favour of a third party, the third party, though a stranger to the contract, can always enforce the charge in his favour. The right of the charge-holder in respect of a charge created by the Constitution must be higher than that of a charge-holder who derives his rights from a private contract or settlement.

DESAI SPEAKS

New Delhi, Saturday—Mr. Morarji Desai today reiterated his view that the word given to the Princes by the Government while taking over their States “must be kept”, But he qualified his statement by saying that as a “disciplined” member of the Congress he was bound by the AICC resolution seeking abolition of privy purses. This did not mean that Congressmen did not have the freedom of expressing their views, he added.

The Deputy Prime Minister, who was talking to reporters at his house, said the next move lay with the Union Cabinet. Asked why leaders who were opposed to the idea of abolishing privy purses did not try to dissuade members of the AICC from adopting the resolution, Mr Desai said that there was no opportunity to do so. A vote was taken at the fag end of the day. He had voted against the move.

While pledging himself to carry out party orders, he reminded them that a resolution adopted at the Jaipur session of the AICC on food zones had not been carried out. It was passed under “pressure”. Once the pressure was released nothing was done about the zones.

Asked whether a similar fate awaited the resolution on privy purses, he said he did not know.

Courtesy: The Statesman, New Delhi
Aug. 13, 1967

PRINCES CONFER TO SAFEGUARD
THEIR RIGHTS

THE RESOLUTION

At the end of their two day Conference in Delhi, on August 12 and 13, the sixty Princes unanimously adopted the following resolution :

"It is an irony of fate that on the eve of the 20th anniversary of our independence, princes many of whom were hailed in the Constituent Assembly of India as co-architects of this independence, have had to assemble to consider the very instruments and agreements, and the matters arising out of them, which have constituted the union of States that is India. We cannot but deplore the current move to go back, indeed to violate, these very instruments and agreements which is nothing short of breach of faith.

Indian Tradition

"Being true to the word given is the tradition of India and we may say it is inherent in the Indian character. In this case it is not mere oral undertakings but solemn treaties which came into being as a result of grave deliberations and negotiations. If the Government of India propose to repudiate these undertakings, they will derogate from the traditions of India of which every citizen is proud and they will make the word 'promise' meaningless. The Government of India is not only the guardian of national honour and moral values but also of the standing of India in the world."

"So far as we are concerned it is not merely the question of privy purses, important though these are to all of us, but it is a matter of principle. We as Indians are concerned that moral principles which are the very basis of society, that justice, which is the very basis of the State, and

honour, which is the very basis of the prestige of India shall prevail. In all this the princes of India stand united. It is gratifying that this contingency has evoked a new-fond unity and solidarity in the brotherhood of rulers.

Grave Problems

"It is surely strange that it is just those who helped to forge a united India are now being singled out for treatment which cannot be justified on any grounds. There are grave problems facing the country and it is these which should commend the urgent notice and energy of the Government.

"We who can justly claim to have played our humble part in creating the geographical unity that is India, consider that the contribution which we have made in the immediate past is but an earnest of the duties which we owe to the people of India, and of the task before us all of building up a strong and prosperous nation. We are conscious, as we have always been, of our responsibilities to this country and our traditions of service.

"We are highly gratified that there are still those who give pre-eminence to moral values and the sanctity of the word given and in this we include the independent Press of India which has been bold and forthright in expressing a fair and objective view.

"We therefore, take this occasion to express our trust that the All India Congress Committee which can claim great patriotic services and traditions will reconsider the matter to bring to bear upon it a more dispassionate and realistic view."

